

## Allowances or married ise by £160

Personal income tax allowances are to rise by £100 to £945 for single people and by £160 to £455 for married couples, both as to be backdated to April. Rates of about £20 (single) and £35 (married couples) will be paid in packets by early December. The measures will cost £1,200m in a full year and an extra 900,000 people will no longer incur income tax.

## 10 OAP bonus

Pensioners are to receive a free Christmas bonus of £10 the week beginning December 11 at a cost of £100m. The raises in taxable social security benefits already announced for next month will be exempt from this year at a total cost to Exchequer of £40m.

## Holiday travel aid

A holiday travel allowance is to be increased from the present £300 in foreign currency to £500 and from £25 sterling to £40. The foreign currency allowance for business travel is raised from £75 to £100 a day.

## Small firms helped

For small businesses includes extension of the small business counselling service, a reduction in interest rates charged by the Council for Small Business in rural areas, an extension until next March of the grant scheme for taking on new workers, and help with the cost of developing new export markets. The total extra cost the Exchequer next year will be £21m.

## Gift tax down

Gift transfer tax liability thresholds are increased today from £15,000 to £25,000 with each raised £10,000 at a total cost of £100m in a full year. Business relief for capital transfer tax is from 30 per cent to 50 per cent and a relief of 20 per cent minority holdings in unquoted companies is introduced.

## Help for police

Help for the police, extra resources for cadets will be provided, support by non-police forces will be improved, and there will be extra spending on equipment and vehicles, prisons, community service schemes. A total extra cost will be £9m.

## £100m for building

Spending on central and local government building projects is to be £400m, resulting in a 10 per cent increase in employment of 30,000.

## More foreign aid

Extra £20m will be spent on foreign aid, bringing the total to £3m net this year.

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# Mr Healey cuts taxes as 'reward for sacrifice'

The Chancellor of the Exchequer yesterday presented his cautious autumn stimulus to the economy as a package of reward for the recent sacrifices of the British people. The measures, estimated to cost £1,040m for higher personal allowances and a £10 bonus for pensioners, provide immediate tax cuts, £400m aid for the construction industry and other increases in public spending. Mr Healey held out

the promise of more relief in the April Budget if workers keep to a moderate line of pay settlements. He said Britain would not take up the £310m in International Monetary Fund drawing rights next month. At the end of Mr Healey's 21-minute speech Sir Geoffrey Howe, QC, Conservative Treasury spokesman, described the measures as "a Budget of repentance".

## Rebate in pay packets for Christmas

By Fred Emery  
Political Editor

The Government's cautious autumn stimulus to the economy turned out to be a "Budget of reward" for Britons' recent sacrifices. The package was Mr Healey's as he championed before the Commons yesterday a programme dominated by large income tax cuts, promised to be in pay packets in time for Christmas shopping. Old age pensioners were also given a tax-free Christmas bonus of £10. These two measures amount to £1,040m out of a total cost to the Treasury of the stimulus in the present year of £1,090m.

Mr Healey also announced that the same income tax relief, indexing personal allowances to the rise in retail prices, would continue next year. At that time further measures would take effect: the relief of small business taxation, but principally the injection of £400m into government spending on new construction. The package was a triumph for the Government from the Labour benches was that the aid to the construction industry could not take immediate effect. Mr Healey's answer was that he had already provided £100m last July and even that had not yet taken effect. The total estimated cost, for the next 18 months, of the measures proposed by Mr Healey yesterday and in July was £3,347m and he held out the promise of more at next April's Budget but only if people stuck to moderation in pay settlements. He gave a warning that if settlements edged up towards, say, 15 per cent and the rate of inflation moved "back into double figures" there would be less scope for fiscal relaxation next year.

Once more Mr Healey placed the nation "at a turning point", although he expressed confidence that his measures would help people to choose the better course to build on the gains they have already won. It was the core of Mr Healey's presentation that the tax reliefs he offered yesterday and earlier this year, coupled with the Government's pay guidelines, would produce an overall increase this year of 16 per cent in average earnings. For those on an increase in retail prices which is now well on its course for single figures next year and it meant "some increase in living standards in the current pay round". He wanted both sides in negotiations to "give full weight to that".

His reasoning ran thus: A married man on average earnings gained a 23 per cent rise, through the 12 per cent increase in personal allowances, backdated to last April. Add the effects of last spring's Budget, and the percentage rise was nearly 61 per cent; then take in the 10 per cent guideline wage increase for the present round, and the "prosperous times" emerged. By contrast, he could not offer so much relief in the unemployment figures. While his measures should raise output by 0.5 per cent in the first quarter of next year, rising to about 1 per cent in the first quarter



Mr Healey talking to Cub Scouts from Avon in Downing Street before yesterday's announcements.

of 1979, they would, by conventional arithmetic, produce only a 30,000 and 47,000 increase in employment respectively with the reductions in unemployment slightly less.

Mr Healey's other immediate reliefs were in exchange controls. Some slight adjustments were made for firms but most eye-catching was his increase in the personal foreign currency allowance for holiday travel from £300 to £500 a journey.

Other reliefs concerned the needy and small businesses. Increases in effective next month, in national insurance, pensions and other social security benefits, will be tax-exempt. Mr Padoa-Schioppa, for the Liberals, was quick to claim credit regarding small businesses, but Mr Healey gave it to Mr Bannister, his Chief Secretary, and Mr Lever, Chancellor of the Duchy of Lancaster.

From today the following will apply: the 30 per cent business relief for capital transfer tax will be increased to 50 per cent, and extended to deferred charges on forestry; there will be a relief of 20 per cent for minority holdings in quoted companies, both the foregoing limited to transfers of up to £500,000.

The threshold for liability to capital transfer tax is increased from £15,000 to £25,000. The threshold for the apportionment of trading income to close companies is raised to £25,000, this to encourage profit retention in businesses, and more relief for small businesses was held out by the Chancellor in next April's Budget.

Mr Healey, dark-skinned, ebullient and relaxed, had an easy time with the opposition Front Bench. Sir Geoffrey Howe, QC, spokesman on Treasury affairs, said it was a "Budget of repentance" and the

beginning of the election campaign, but he was not sharp-edged.

It gave Mr Healey his "Budget of reward" riposte, and his triumph. "It seals the victory of this government in liquidating the legacy" from the Tories.

Outside the House Mr Healey was scornful of suggestions in this newspaper, among others, that his Budget was electioneering. Had it been so he would have given much more, he would reply. Instead, as he put it to the House, it was Britain's contribution to the collective effort of Western recovery.

He explained that it was part of the Government's programme "for economic expansion" spreading over 18 months—a phrase causing instant Tory wrath. However, Mr Healey apparently meant one and a half fiscal years, not election time-tables.

Except for one reference to the pound's dollar rate now being up 10 per cent over a year ago, Mr Healey did not look back over those dark times. In fact it was a year to the day that he and the Prime Minister were besieged by the sterling crisis, with the pound falling to \$1.59.

He clearly savoured coming to the House with the good news. The basic message was that he had head room for raising the public sector borrowing requirement under the Government's International Monetary Fund limits.

Financial strength enabled the Government not to take up any further tranches of the £3,900m standby credit with the IMF. It was not quite the day when Mr Healey plans to tell the fund what to do with its stand-by, but clearly that day is in sight.

Mr Healey said his measures would raise the borrowing requirement to an estimated £7,500m this financial year, and about £7,000m in 1978-79. Both those figures were within the "headroom", understood to be about £8,600m.

Provided average earnings grew at only the 10 per cent guideline, Mr Healey predicted that the next 12 months could see domestic growth of 3 per cent—the best for half a decade.

David Blake writes: The Chancellor's measures are estimated by the Treasury to raise output by one half per cent by the first quarter of next year, with output being raised by 1 per cent by the first quarter of 1979. This would lead to unemployment standing 110,000 below its originally expected level by early 1979.

In forecasts of the economy published under the so-called "Bray amendment" the Treasury says that if earnings grow by 10 per cent over the present wage round, and for the rest of 1978, inflation could be down to an annual rate of 61 per cent by the fourth quarter of 1978, compared with 131 per cent in the fourth quarter of this year.

Growth during 1978 would be 31 per cent, compared with only one half per cent this year. During next year the Treasury expects a sharp increase in the volume of imports which are expected to grow by 11 per cent. Private sector investment would grow by 121 per cent.

The most dramatic revisions from previous forecasts occur in the estimate of the public sector borrowing requirement, which is expected to be £7,500m for this year and £7,000m next year after the measures.

## Labour NEC to curb policy-making

The National Executive Committee of the Labour Party has agreed to suspend any further policy-making for the next 12 months. Mr Ronald Hayward, the party's general secretary, told a meeting of the committee that there was already enough policy to last a majority Labour

government with the will to implement it for a decade. He presented a document to the committee on the subject, which Mr Callaghan agreed with. It was decided that it should go before the party's policy-making committee before a final decision is made. Page 2

## £90m surplus after drought

English and Welsh water authorities had a £90m surplus after last year's drought, Lord Nugent of Guildford, chairman of the National Water Council, said, presenting the council's report and accounts. Shortages during the drought were mainly limited to certain areas, and water supply prospects look good. Page 5

## Baader-Meinhof suicides finding

There was no basis for a suspicion of murder in the case of the three Baader-Meinhof terrorists who died in jail, an official interim report said yesterday. It added that the post-mortem found nothing to contradict the official version of suicide. Page 7

## TUC sets up press watchdog

The formation of the TUC's media group has been announced. The body has been set up because of union leaders' growing concern over the public image of the labour movement, and it will advise the TUC General Council on presentation of trade union and industrial matters. Page 4

## 3p on loaf plea

Spillers, the baking and milling group, is to seek a 3p price rise on its standard loaf in December. The last increase, to 24p, was in July. The group said the industry needs the increase if economic working was to be resumed. Page 25

## Football results

Liverpool 2, Derby County 0  
Aston Villa 1, QPR 0  
Tottenham 2, Coventry 3  
Celtic 1, Strirling A 1  
St Mirren 1, Hamilton 2  
Dundee Utd 2, Arbroath 2  
Wrexham 1, Bristol City 0  
Forfar, 3, Ayr United 1  
Aberdeen 3, Rangers 1  
Morton 2, Hearts 0  
Queen of Sth 6, Dundee 0

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Leading articles: The Chancellor's measures; Mr Steve Biko  
Features, pages 16 and 18  
David Blake analyses the Chancellor's economic measures  
Ronald Butt on immigration and racism; Pat Ryley on the changing pattern of child care; Prudence Glynn's fashion  
Arts, page 11  
Paul Moor on Hindemith operas in Berlin; Irving Wardle on *Find Me (Orange Tree)*; Ned Galloway on *Chu Chu*; John Percival on the Royal Ballet; concert notices by Paul Griffiths and Barry Millington  
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Richard Holmes reviews the first volume of George D. Painter's life of the eighteenth-century French writer, Chateaubriand; J. C. Trevelin on *The Knot* by Robert; Penelope Fitzgerald; Laurie Taylor on *Manwatching* by Desmond Morris; Philip Howard on new novels by Dan Jacobson and Kay Dick  
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Football: Brian Flynn expected to sign for Queen's Park Rangers; details of agreement over freedom of contract; Racing: Arrivals; transfer to stud in Ireland; Boxing: Richard Dunn retires  
Obituary, page 20  
M. Felix Gould  
Business News, pages 24-32  
Stock market: There was a muted response to the Chancellor's package and the FT Index closed 1.7 down to 513.0  
Financial Editor: Where does this leave sterling? Settling the concept of Weir & Osborn; Exchange controls tinkering—at this stage  
Business features: Paul Routledge on the Chancellor's warning about pay settlements; Caroline Alderson looks in *Economic Notebook* at the Government's difficulty in reconciling a stable exchange rate and money supply targets  
Business Diary: Features ruffled at the London Metal Exchange

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## Unions appoint air strike leader as union organizer

Our Labour Editor  
The leader of the strike by air traffic controllers has been appointed a trade union organizer for the Conservative Party at an annual salary of £100. Mr Martin Giffatt, aged 40, chairman of the assistants' union, was last night appointed to the post of assistant to the Conservative Central Office as part of the right direction. He is a former air traffic controller and a former member of the Conservative Party. He is a former member of the Conservative Party. He is a former member of the Conservative Party.

deputy director of the party's department of community affairs. Mr Giffatt argued that there was nothing strange about the decision to give the job to a strike leader: "We are employing someone with considerable union experience and considerable knowledge of the party. The fact that trade unionists will sometimes be engaged in organizing strikes has nothing to do with the appointment." On the contrary, Mr Giffatt's activities as a strike leader and a moderate activist in his union, the Civil and Public Services Association, showed that he had gained support from his colleagues at work, he said. The appointment fits in with the party's efforts to build a political alternative to Labour in the trade union movement. The CTU, which was something of a joke less than five years ago, now has 250 groups. Mr Giffatt is chairman of his constituency CTU group and secretary of the Young Conservatives. He has been an air traffic controller assistant at the West Drayton computer centre for eight years.

## Leyland militants seek to undermine secret ballot on bargaining reforms

By Clifford Webb  
Militant shop stewards are trying to undermine Leyland Cars' secret ballot in order to prevent the company's 100,000 manual workers from voting on crucial pay and bargaining reforms. In some plants shop stewards have held meetings urging workers to hand back the individually-addressed envelopes without opening them. If sufficient numbers accept this advice, the militants can claim that the result on the ballot, to be announced next Tuesday, is unrepresentative of the workforce as a whole. But their tactics appear to have had little success so far. At Rover some 300 toolmakers have handed back the sealed envelopes containing the ballot paper and a recommendation for acceptance issued jointly by the company and the Confederation of Shipbuilding and Engineering Unions. The Electoral Reform Society is conducting the ballot.

The toolmakers' leaders told local management that they would not be bound by the result of the voting. Some Rover shop stewards held a meeting attended by about 2,000. A majority of those present voted against the ballot by a show of hands. Although the ballot has received the approval of the official trade union movement, there is evidence that many shop stewards fear that this form of confidential direct approach to the labour force may be used in the future to undermine their traditional power base—the mass meeting. Mr Derek Robinson, the joint shop stewards' convenor at Longbridge, and probably the most powerful shop steward in the whole of Leyland Cars, has gone on record as being bitterly opposed to balloting. "We want to stick to our traditional way of voting out in the open," he told a recent press conference. But Mr Ron Hill, the Longbridge palatine worker who led the much-publicized shop-floor revolt against Mr Robin-

son, insists that the traditional, mass meeting is open to intimidation. Production of Mini and Allegro models stopped at Longbridge yesterday, and 7,300 workers were laid off because of a strike by 600 vehicle inspectors demanding upgrading. But there was better news over another strike. A surprise approach to both sides by the Advisory, Conciliation and Arbitration Service produced a formula to end the six-week-old strike by axle assemblers at Triumph Coventry. At a meeting yesterday the axle workers voted to accept the formula. The stoppage has halted production of the Rover 3500, 2600 and 2300 models, and the TR7 sports car, for the past two weeks. A company spokesman said last night that although the axle assemblers were returning to work today, it would be another day or so before it could begin recalling the 5,000 Rover and Triumph workers who had been laid off. Vaushall pay vote, page 26

## Scott inquiry police see ex-pilot

By Stewart Tandler

Detectives at Bristol police station last night began questioning Mr Andrew Newton, a former airline pilot, about his allegations that he was hired by Liberal Party supporters to kill Mr Norman Scott, a former acquaintance of Mr Jeremy Thorpe, the former prime minister. Mr Newton had been missing for nearly two weeks. He was held yesterday at Heathrow airport, after arriving from abroad. He is thought to have been in South Africa. Mr Newton was taken to West Drayton police station and after to Bristol by detectives from the Avon and Somerset force, who have been ordered by the Director of Public Prosecutions to investigate the allegations. He was interviewed last night by Chief Supt Michael Chalkley, who is heading the inquiry. Mr Robert Suffolk, Mr Newton's solicitor said, he would be going to Bristol today to represent Mr Newton. Mr Suffolk said Mr Newton had telephoned to three friends in Bristol from abroad on Tuesday and he had been expecting Mr Newton to get in touch with him again. Mr Newton, aged 30, disappeared last week after the London Evening News had published reports quoting his allegations that he was paid several thousand pounds to kill Mr Scott in 1973. Mr Newton served a year in prison for offences that included killing Mr Scott's dog. At his trial he maintained that the incident occurred because he was being blackmailed by Mr Scott. In the newspaper Mr Newton was quoted as saying that he had evidence, including tape recordings, of his recruitment by Liberal Party supporters to murder Mr Scott. Mr Thorpe has been drawing up a statement and will hold a press conference today.

## South Africa to hold a public inquest on Steve Biko

Mr Nicholas Ashford  
Johannesburg, Oct 26  
A public inquest into the death of Steve Biko, the South African Black Consciousness leader who died while in police custody last month, is to be held on November 14. A brief inquest hearing is to take place on Friday. The Biko family's lawyers advised today of the decision to hold an inquest by Mr E. N. Ntshong, the Attorney-General of the Transvaal, after he had completed his study of post-mortem and police reports concerning Mr Biko. The post-mortem, the results of which have not yet been made public, found that

"brain damage" was the main cause of Mr Biko's death. Mr James Kruger, the Minister of Justice, made a commitment to hold a public inquest after the international outcry which Mr Biko's death provoked. There was general satisfaction in legal circles that the Attorney-General had agreed to an inquest rather than any other judicial procedure. An inquest will provide scope for a wider airing of all the circumstances surrounding his death rather than a criminal prosecution, which would have been restricted to proving the culpability of one or more accused. At an inquest it is also possible for the next of kin to cross-examine witnesses. The inquest will have two main purposes: to establish how Mr Biko died, and to decide whether any person or persons were responsible for his death. However, as the state and family-appointed pathologists were unanimous in their post-mortem report on the causes of death, the inquest is expected to deal mainly with the second point. It will be up to the Attorney-General to decide whether, as a result of the inquest findings, there should be a criminal prosecution. The inquest will be presided over by a magistrate. It is understood that the Attorney-General has agreed that once the inquest has begun it should go ahead as quickly as possible and without interruption. A formidable legal team will be led by Mr Sydney Kentridge, one of the most eminent members of the South African Bar, who has been involved in some of the country's most celebrated trials, notably as defence counsel at the trial of the former Dean of Johannesburg, the Very Rev. Conville French-Beynon. He will be assisted by Mr George Bizos and Mr Ernest Wentzel, both well-known defence lawyers in political trials.

In Johannesburg today, four black clergymen were arrested by riot police outside the John Vorster Square police headquarters where they were demonstrating against last week's banings and detentions. They carried Bibles and protest banners, one of which read "Why apartheid? Why oppression?"

Johannesburg, Oct 26—Police today detained Mr Thami Maseko, a senior reporter of The World newspaper, which was banned last week as part of a government clampdown on black organizations. No reason was given.—Reuter.

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## Multiple sclerosis

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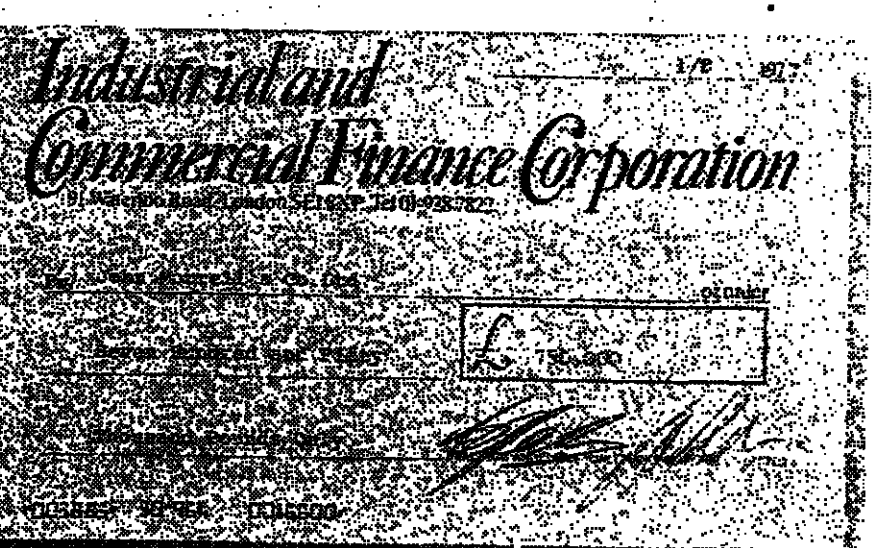
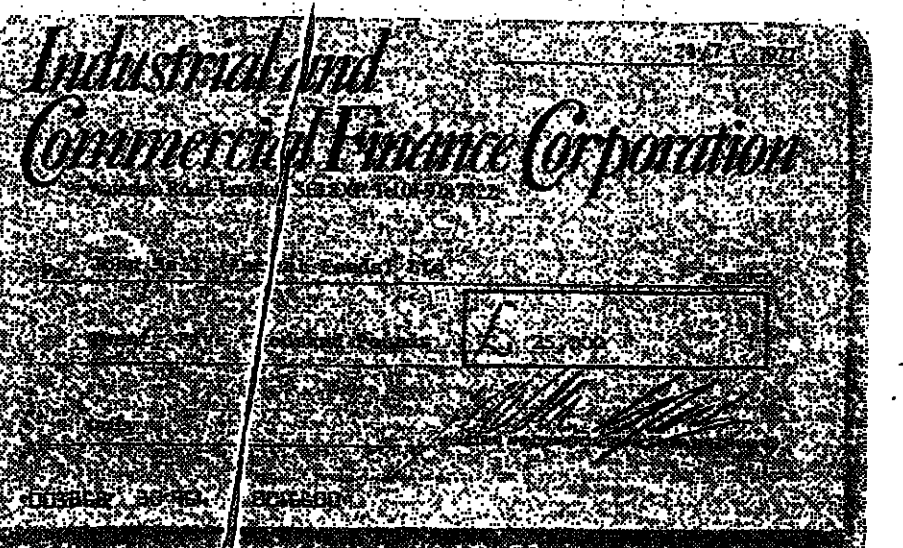
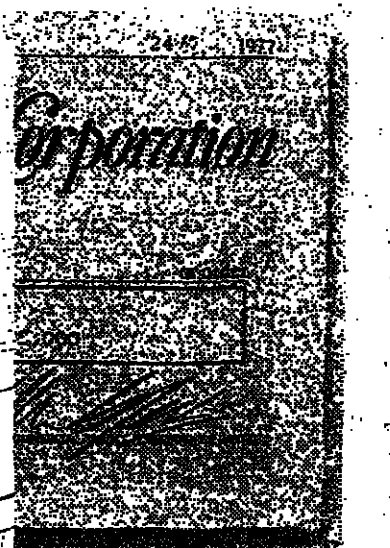
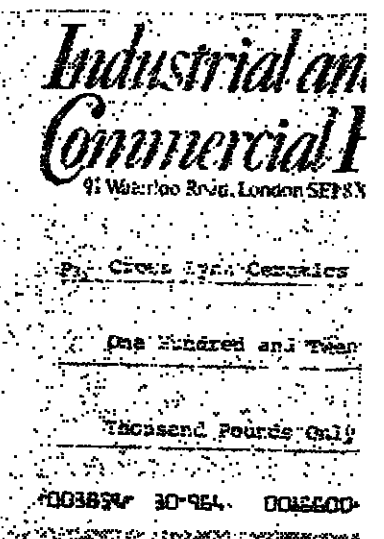
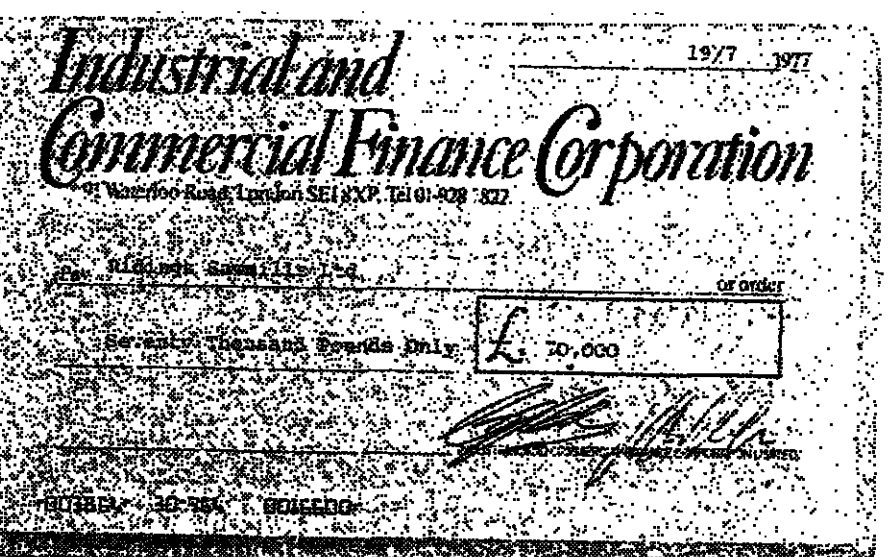
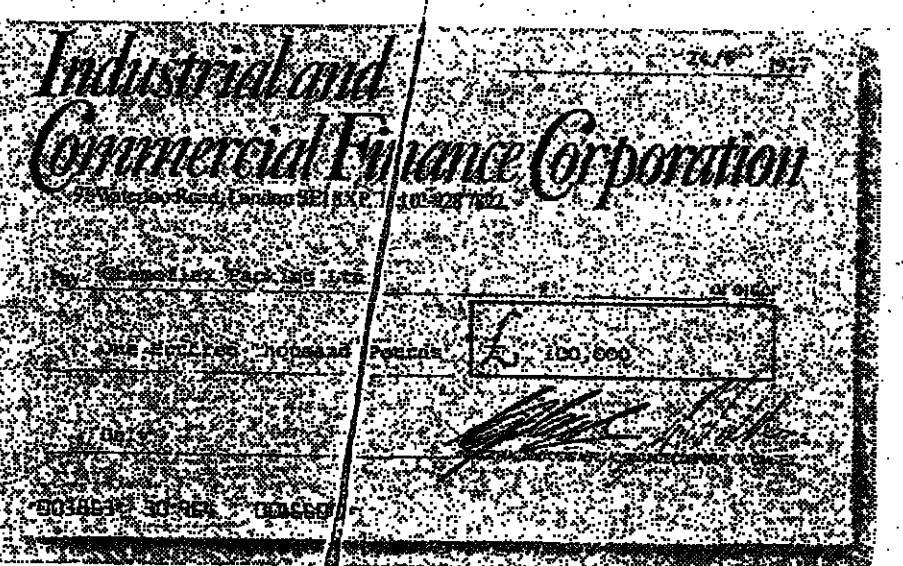
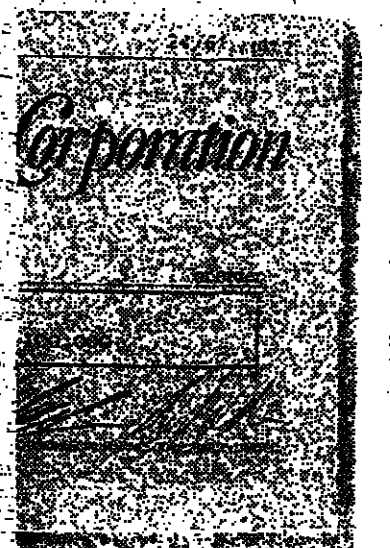
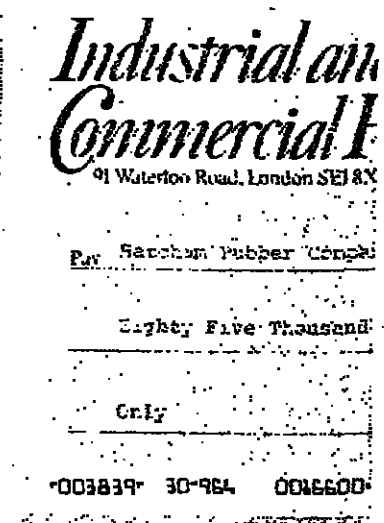
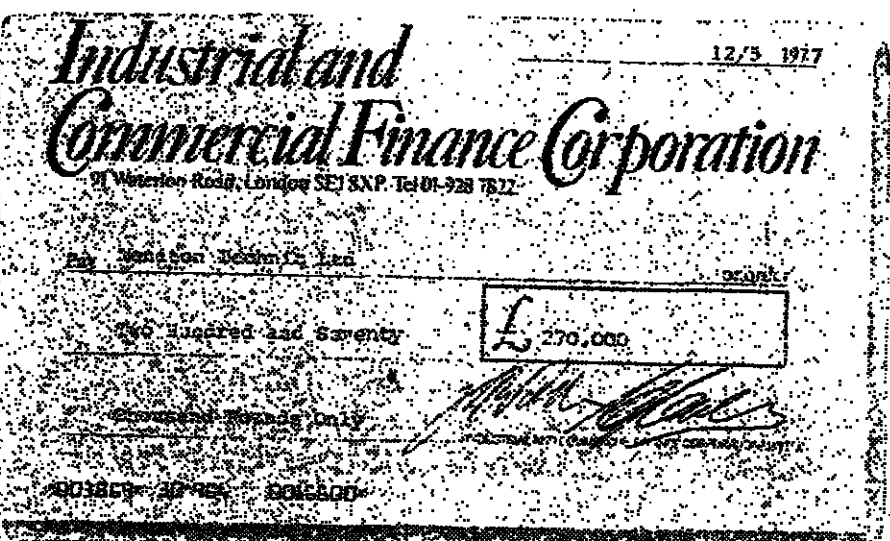
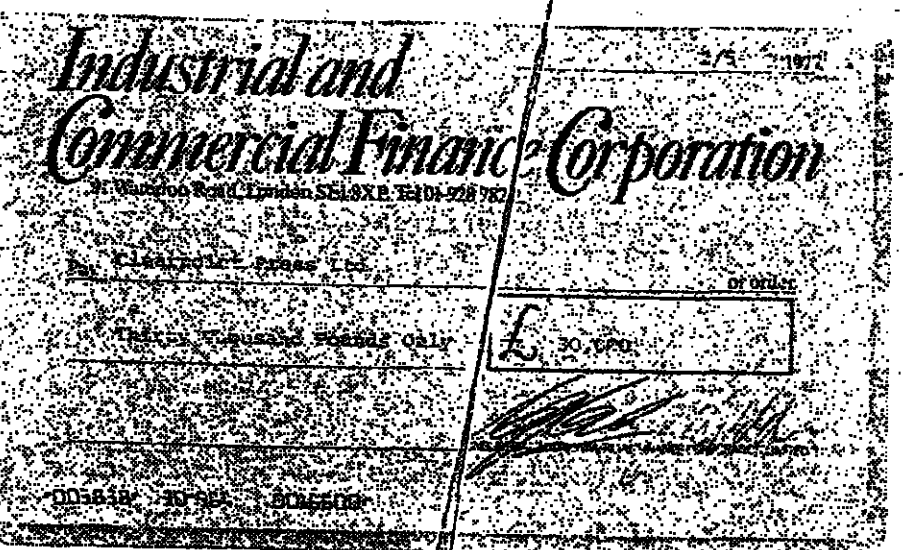
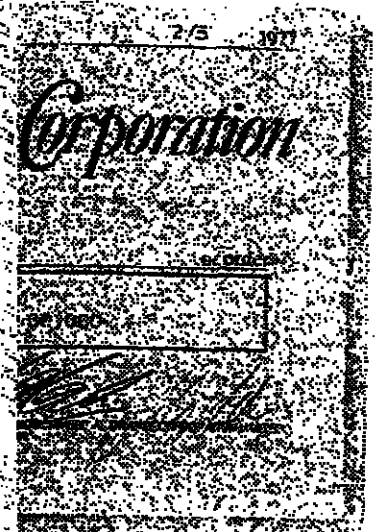
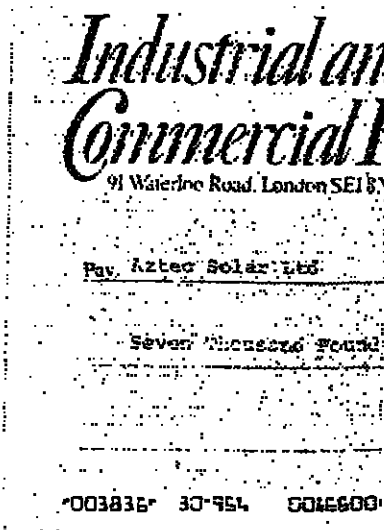
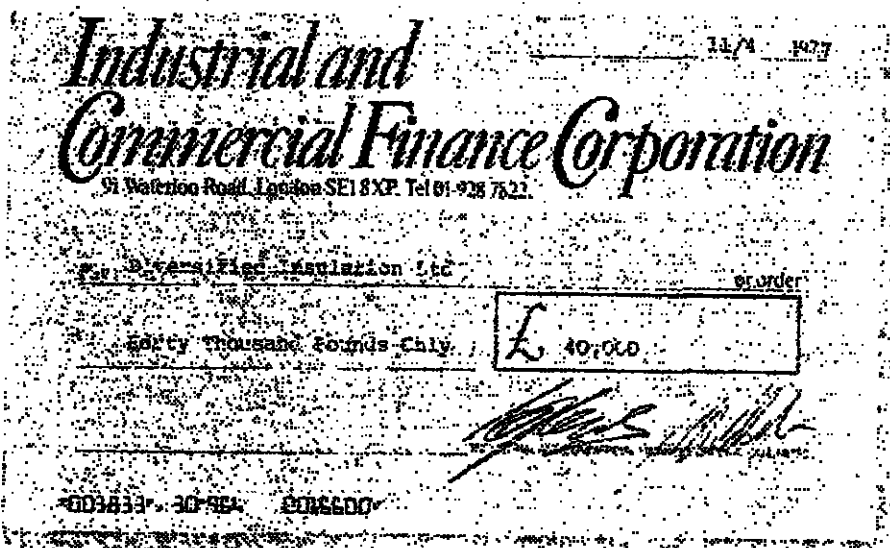
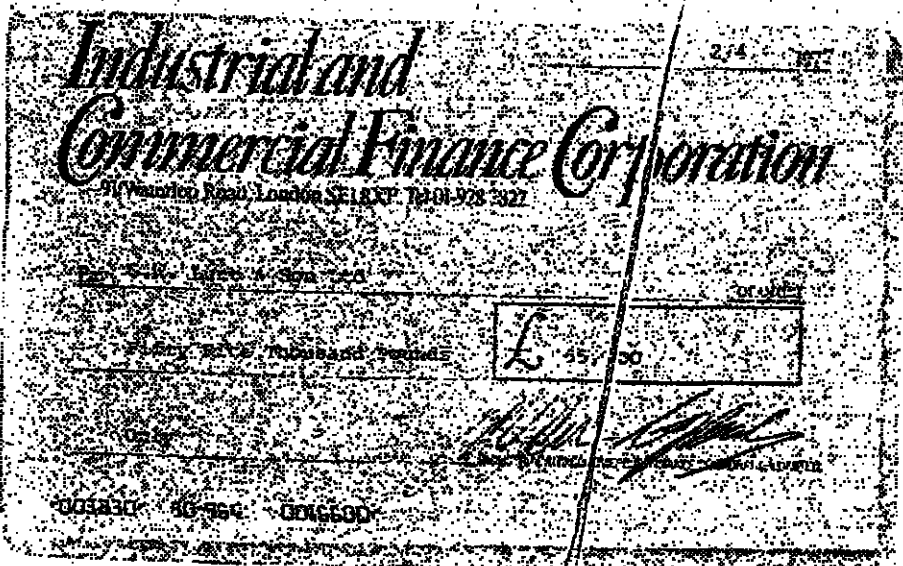
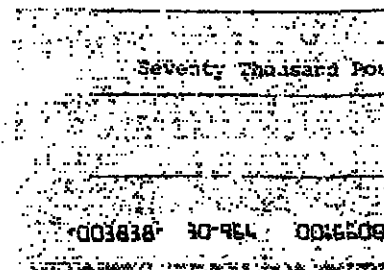
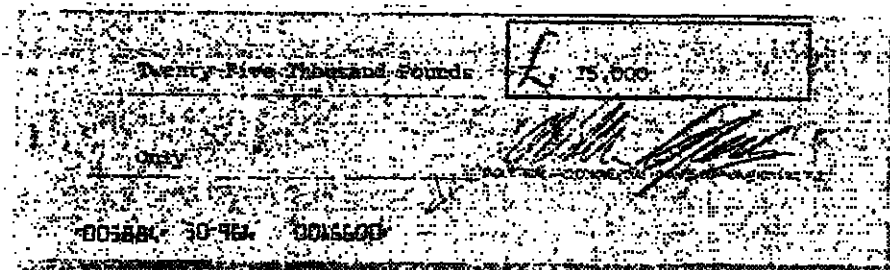
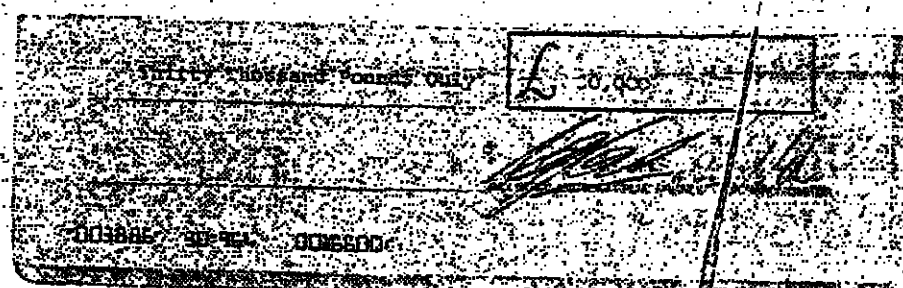
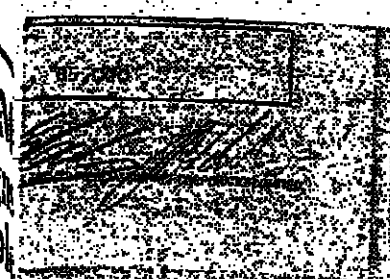
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## HOME NEWS

## Water authorities had surplus of £90m after last year's drought and supply prospects look good

By a Staff Reporter

The struggle through the 1976 drought gave the English and Welsh water authorities "a sense of cohesion and confidence" which stems from adversity, according to the chairman of the National Water Council.

In his report for 1976-77 Lord Nugent of Guildford says shortages were mainly limited to certain areas and that water supply prospects look good.

Nevertheless, he says, some deficiencies are more serious, particularly in the South-west, where perennial wastage over reservoir siting has caused a progressively increasing shortfall.

The authority has a programme under way, but it will be some years before the two new storage reservoirs needed are completed to make the supply really secure. But in any area it would not make sense to invest heavily to obtain margins of security beyond those which were clearly and satisfactorily demonstrated in most places last year, and thereby permanently raise water supply charges to customers.

The report recalls that rainfall between April and August last year fell to 49 per cent of the 1916-1930 average for that time of year. It then rose to an equally unusual 142 per cent between September and last March.

The report says that by May, 1976, it had become clear that extra measures might be needed. The Drought Act re-

ceived the Royal Assent on August 6 and enabled water authorities to restrict and ration water and to secure access to additional sources.

The National Water Council introduced a campaign to save water in the same month, which led to voluntary savings of up to 30 per cent in some areas. In the end about a million people in south-east Wales had water restrictions for between seven and 11 weeks and another 65,000 people in north Devon had standpipes rationing for between a week and three.

"In both these areas (and in one or two other areas where the situation at one time looked equally critical) the supply of water has been identified as unsatisfactory well before the drought, but there had not been time to carry out planned measures to deal with the weaknesses disclosed," the report says.

During 1976-77 the authorities employed a total of 61,500 people of whom 33,583 were manual, 1.7 per cent more than the previous year.

The revenue of the 10 authorities increased to an aggregate surplus of £90m. Of that, the report says, will be "applied for the benefit of customers by holding down charges in 1977-78 and 1978-79".

The main reasons for the surpluses, it says, are lower interest rates, the effects of cuts in public spending, and

lower than expected refunds of sewerage charges to occupiers of unsewered properties, after a House of Lords ruling.

During the period the capital financing requirements totalled £533m. Of that £233m came from the National Water Council and £168m from an international syndicate of banks. "The council has formed the view that the current national investment in water services is probably of the right order," it says.

On the quality of water, the report notes that nitrate levels have been rising. "Nitrate is a constituent of the effluent from sewage works and is also found in the run-off from the land."

In a few places the quantities at particular times of the year are giving cause for concern now. But in general the problem is seen as rather disquieting for the future should present trends continue.

The report also shows concern at EEC directives concerning water quality. "A good deal of what has been proposed appears to have a shaky scientific base and to lack a proper appreciation of the practical and economic implications," it comments.

"Some elements of what is proposed by the EEC are evidently good practice. But much is either irrelevant or even ridiculous."

National Water Council, annual report and accounts, 1976-77 (National Water Council, 1 Queen Anne's Gate, London, SW1H 9BT, £1.50).

## 'Pick school governors in pubs and bingo halls'

By Robin Young

Consumer Affairs Correspondent

A call was made yesterday for elections of parent-governors of schools to be carried out in public houses or at bingo sessions. Dr Eric Midwinter, chairman of the Advisory Centre for Education, and head of the public affairs unit of the National Consumer Council, made the suggestion at a seminar on the 1977 report held at Birmingham University.

Dr Midwinter said local government commentators had been suggesting that parents were not willing to take part in elections of school governors. Voting figures in local government elections were not always impressive, either, he pointed out.

Some local authorities' letters circulated to parents inviting them to take part in governors' elections required a reading age of 21 to be understood.

It would be possible "to engage the active interest of an overwhelming mass of parents," Dr Midwinter maintained, if those responsible did not call dull meetings at 7.30 pm, on Wednesday nights just as Corporation Street was beginning.

Some inner-city schools, by maintaining "colourful and vital home-school relations" had produced ballots as high as 90 per cent for parent-governors.

## Report urges reassessment of teacher ratios

By Diana Geddes

Education Correspondent

A call for a reassessment of staffing ratios in schools because of the growing demands on teachers outside the classroom is made in a Schools Council report published today. It comments on the increasing amount of teachers' time spent on such non-teaching activities as curriculum development, in-service training, school organization and examination work.

The report itself is concerned with the use of teachers in the assessment of examinations for pupils at 16. During the period of the survey, undertaken between 1972 and 1976, a

marked increase was noted in the amount of teacher assessment, particularly in CSE examinations.

Replies from one secondary school in the North of England with 900 pupils showed that 11 of 41 teachers were involved with administration, assessment or moderation for an examining board. That meant a total of 248 teaching periods lost in the school year because of staff absences on examination duties.

The report notes the polarization of attitudes to teacher assessment in public examinations since it was first used to any significant extent 10 years ago. There were some who maintained that all examina-

tion should be done by external, neutral assessors, and others who argued that only the teacher concerned is in a position to judge fairly a pupil's achievements.

The authors of the report advocate an intermediate position in which teacher, moderator and examiner complement one another in a flexible scheme of assessment that aims to give a comprehensive picture of the candidate's achievements and accepts the necessity for establishing nationally accepted standards.

The authors were greatly impressed by the number of teachers who claimed also that there were important indirect

benefits arising from their involvement in assessment. The knowledge that was gained of national standards, for example, could be important in helping teachers to evaluate the effectiveness of their own teaching.

The tentative conclusion reached by the authors is that examination work does not place an excessive burden on the school, although there are points of strain. They urge that further investigation should be undertaken.

Assessment by teachers in examinations at 16+, Schools Council Examinations Bulletin 37, by Leslie Cohen and R. N. Deale (Evans/Methuen Educational; £3.60).

## Nursery education severely cut

By Our Social Services Correspondent

Spending cuts have caused the virtual collapse of nursery education in many areas, the National Union of Teachers says in a pamphlet today. The cuts have particularly affected building leaving the potential for expansion even in the 1980s severely limited.

The pamphlet points out that Britain already lags behind Europe in nursery education. In England and Wales 5 per cent of three-year-olds and 35 per cent of four-year-olds are receiving some kind of nursery education. But in Belgium 80 per cent of three-year-olds and 90 per cent of four-year-olds are in nursery schools.

Both Italy and France provide nursery education for more than half their three-year-

olds. By the time they are four, 80 per cent of French and Dutch four-year-olds are in nursery schools.

But in 1975-76, 36 local authorities in England and Wales refused to take up part or all of their allocations for nursery building, although most had well below average provision for children three and four years old. Cuts in such areas as Wiltshire and Lincolnshire have been particularly serious, the pamphlet says, and there has been further drastic revision of plans in Newcastle, Cheshire and Cleveland.

"It is essential that the Government recognize now that access to a well planned, adequately financed system of free nursery education is not only desirable but is the right of all our young children," Mr Frederick Jarvis, general secretary of the NUT, writes in a foreword.

"The first five years of a child's life play a crucial role in the future development of the child, but it is a disturbing fact that the machinery for the education of the under-fives is still, in 1977, woefully inadequate."

The union is also concerned that a substantial number of the 20,000 unemployed teachers were trained in nursery methods. The pamphlet calls for statutory nursery provision for all aged between two and five, proper nursery education for all four-year-olds, and qualified teachers in charge of all nursery classes. It urges that the size of nursery classes should be limited to 20 for each nursery teacher and assistant, which would provide an extra 1,350 jobs immediately.

The Needs of the Under-Fives (National Union of Teachers, Hamilton House, Mableton Place, London WC1H 9BD, 40p).

## New drug to aid heart patients

A new drug has been introduced that will benefit patients with congestive heart failure, those undergoing heart surgery and victims of blood poisoning.

Marketed after 10 years' research by Lilly Industries, the drug, Dobutrex, is dobutamine hydrochloride.

Because it is extremely potent it has to be given by infusion, so that the dose is completely controlled. It is therefore available only in hospitals.

Dr John Birkhead, consultant physician at Northampton General Hospital, said yesterday that it was an intensive care unit drug that was most effective in tiding patients over difficult periods, after which conventional treatment could continue.

## Gatwick gets new network of air routes to Europe

By Arthur Reed

Air Correspondent

A further step in the development of Gatwick as the second London airport was taken yesterday with the licensing of a new network of air services to Europe.

They will mostly duplicate services from Heathrow and are designed to remove pressure from there.

New routes out of Gatwick announced by the Civil Aviation Authority are: British aledonian to Copenhagen, Oslo, Gothenburg and Stockholm; the addition of Aberdeen to the airline's Newcastle-dinburgh-Copenhagen licence; and British Airways to Dublin, Düsseldorf, Frankfurt and Zurich.

British Island Airways and Air-Air which applied for routes to similar destinations, had all their applications refused.

The authority said: "In order to develop Gatwick and to strengthen those scheduled services which are already there we believe it to be vital to build up as quickly as possible a network of scheduled services to those destinations which will yield a high level of interline traffic."

"Gatwick services will be developed effectively by those airlines which can promote Gatwick as an interchange point as well as a terminal through a worldwide network of proportional opportunities."

Gatwick would not be developed without substantial involvement from British Airways, giving it the highest possible proportion of business routes. It was also more likely that foreign operators would choose to serve Gatwick as well as Heathrow on short-haul routes if British Airways did so.

Mr Christopher Wardle, who works on farm projects in developing countries, says in a letter to the Earth paper published yesterday that processed foods should have details of nutritional value on their labels and that education about food values should be given in schools.

The British diet ought to contain more fresh food and less fat, sugar and animal protein, says. At present it is affected by several powerful influences. "To pretend that people make

their choices free of influence is absurd, even though many of us would like to believe that we are not influenced."

In most areas of the grocery trade between one and three large companies account for most retail sales. Unilever, the largest food-processing group in Britain, is the ninth largest company in the world. It makes most of the margarine sold in Britain, Mr Wardle says.

"Consumers in the United Kingdom might think they have five distinct kinds of margarine from which to choose: Blue Band, Stork, Summer Country, Lur and Imperial. How many of them know that all these brands are made by one company whose sales account for 70 per cent of the retail market?"

Changeing Food Habits in the UK (James Street, London, W1; £1.40).

Mr Ron Bailey, the author, who has been involved in a number of squaring movements, describes the proposed body as a single purpose agency dealing only with short life property. The idea was first put into practice two years ago in London, with, he claims, some success, but most local authorities have remained indifferent or hostile.

Much of the book is taken up with statistics and tables, showing how much councils are spending on "bed and breakfast" accommodation, instead of taking the obvious step of renovating the empty houses they own.

The conclusion is that, whoever may be responsible for homelessness, the remedy lies with the public sector for what is a public concern.

Ron Bailey, *The Homeless and The Empty Houses* (Penguin Books 95p).

## Shelter plea for use of empty public housing

By John Young

Planning Reporter

Homelessness could be virtually ended, at a greatly reduced cost to the public purse, by a sustained programme of bringing empty publicly owned housing back into use, if only for short periods.

That is the conclusion of a book published today to mark the start of a renewed campaign by Shelter to develop the idea of what it calls a "housing emergency office".

Mr Ron Bailey, the author, who has been involved in a number of squaring movements, describes the proposed body as a single purpose agency dealing only with short life property. The idea was first put into practice two years ago in London, with, he claims, some success, but most local authorities have remained indifferent or hostile.

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Stonehouse hearing

The public examination of John Stonehouse, the jailed former MP, was further adjourned to January 27 at London Bankruptcy Court yesterday to allow accounts to be examined.



## TIME AND TIDE WAIT FOR NO TRUCK

While the relentless search for oil continues day and night in the North Sea, there is a constant ferrying of rigging and equipment to the fields operated to strict time schedules.

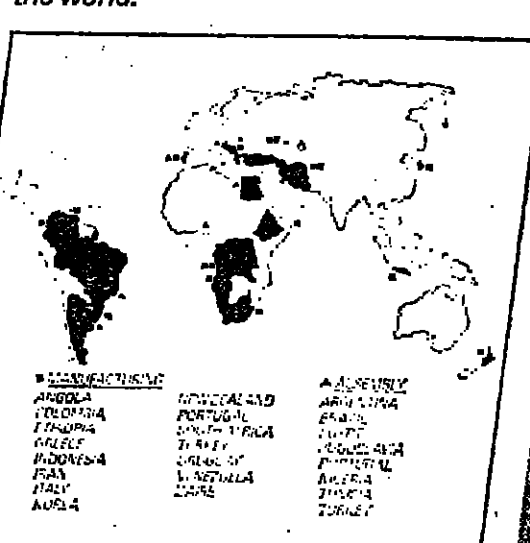
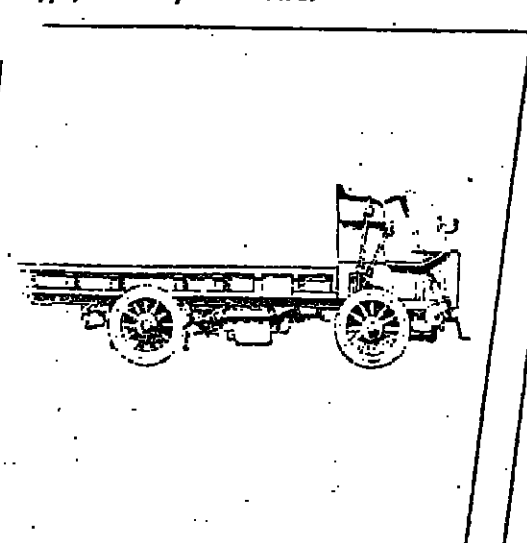
Fiat play a vital role in this service and the Fiat 684 (above) is just one of a fleet of tough, reliable Fiats used by Tudor

Plant to transport equipment for North Sea Oil operations to various supply vessels.

The Fiat 24HP (below) of 1904 was the first of a family of Fiat Commercial Vehicles which today are manufactured, assembled and sold all over the world in countries as far apart as Argentina and Egypt, Norway and Zaire.

And Fiat are famous across five continents for technical innovation and for research into special transport problems.

Today, as part of the Iveco group of companies, Fiat Commercial Vehicles offer the resources of over 3,000 sales and service dealerships throughout the world.



**Better trucks make better business.**

**FIAT**  
Fiat Commercial Vehicles Limited





PARLIAMENT, October 26, 1977

## Expansion through income tax cuts: scope for more depends on trend of pay settlements

## House of Commons

Mr Denis Healey, Chancellor of the Exchequer (Leeds, East Lab.) in a statement said: "Since the House debated the economic situation in July, the improvement in our financial position has been greatly strengthened. Confidence in Britain's future has been powerfully reinforced both at home and abroad. As a result we are now in a position to take further measures to improve the outlook for employment and to bring the growth of output on to its intended path."

It is now clear that both in the United Kingdom and in the world as a whole, the recovery in demand and activity is weaker than was expected in the summer. The latest meetings of the International Monetary Fund and of the Finance Council of the European Community have agreed that the industrialised countries should take steps to stimulate demand and that Britain is in a position to join in this collective effort.

The Government have made it clear that they aim at a steady and sustained expansion of economic activity to avoid the risk of overheating the economy with the damaging consequences for growth, inflation and the balance of payments which we saw four years ago.

For this reason the decisions I shall now announce are part of a programme for economic expansion spreading over 18 months. Our main objective must be a continuing fall in the level of unemployment. To this end, the Government will be guided by four main considerations. The measures should be quick-acting, they should reinforce the attack on inflation and assist the industrial strategy, they should be fully consistent with our financial commitments for the current year and they should run no risk of over-extending our finances in 1978-79 or of unnecessary pressure on the availability of further measures in the next Spring Budget.

Our basic economic strategy remains as I described it in my March Budget. I now see scope for measures within the framework of this strategy costing a little over £1,000m in the current year and £2,000m in the next financial year.

First, the measures affecting the 1978-79 tax year: The House decided this summer to commit the Government to in-

creasing personal tax allowances each spring in line with the rise of price increase over the previous calendar year unless it sought explicit permission to do otherwise.

I believe it is right that we should not seek to waive this requirement in the coming year. The Government therefore plan to raise tax thresholds for the financial year as laid down in the Finance Act 1977. This is likely to require a 12 per cent increase in personal allowances above the level set by the 1977 Finance Act, from £2,000 to £2,240 in full year.

In the summer the Government announced very substantial increases in child benefits for the coming year: measures to implement the European Community's proposals for a child multiplier; and a major increase in the number of children eligible for free school meals; together these increases will cost some £475m in 1977-78.

The Government recognise that exceptional difficulties are now faced by the construction industry. They have therefore decided to increase expenditure next year on construction by the central Government and local authorities by £400m at survey prices over and above the existing plans. (Labour cheers.)

The allocation of this additional amount between different programmes will be announced as soon as possible. The full effect of this decision will be to increase expenditure by some 30,000.

The Government have also decided on certain smaller increases in expenditure on the construction of new houses for the next year. They are increasing the overseas aid programme by £20m. They are increasing the law and order programme by £10m to provide additional resources for police cadets, civilian support, police vehicles and equipment and for the maintenance of the community service schemes.

There will be additional provision in the social field to help the disabled by a further increase in mobility allowance next year and to ease the strain on hard-pressed local authorities by £10m in the form of grants to enable schools to take on some more teachers to meet the needs of children in special schools and for grants for music and drama for children in the community.

Allowing for these decisions and the measures announced in the summer, the total increase in the current financial year but it does take a long time for this type of expenditure to be reflected in the building industry. Some of the money still has to be allocated.

One of the reasons why I announced this increase now is to give local authorities and government departments plenty of time to prepare plans for the next financial year. It is possible to start spending this extra money as soon as the next financial year begins.

Mr David Renton (Huntingdonshire, C) has justly the reputation of being a man who speaks at a time when the NES is being kept short of funds and we in those counties given insufficient rate support are greatly concerned.

Mr Healey—The educational services will be receiving about £1m more than last year. The national health and social security services will receive an extra £20m to £25m, money which will be spent in the health services.

I deplore his words about the increase in overseas aid. One of the most unfortunate consequences of the situation in which we found ourselves last year was that we had to make a substantial cut in the aid budget. What we need now is not enough to make good that cut.

Mr Joseph Godber (Grantham, C)—I was glad to hear what he said on exchange control, but what he said was a little further from the exchange control could help businesses invest overseas.

Mr Healey—We believe that it is a mistake to think that exchange control is a magic wand. It is possible to set up a system to ensure that the benefits of North Sea oil lead to increases in investment in British industry and in strengthening in our manufacturing base at home, rather than to the acquisition of assets abroad.

It can be argued that one reason for the relatively poor economic performance of Britain throughout the 20th century has been due to over-reliance on imports from abroad in the 19th century. This is not the time for lessening controls on direct or portfolio investment in foreign countries.

Mr David Mitchell (Basingstoke, C)—Has he any proposals to end the two per cent surcharge on small businesses that have been introduced to end deferred liability for stock relief, to lower the rate of corporation tax, and to take away the threat of a wealth tax hanging over their heads?

Mr Healey—On the national insurance surcharge, British businesses pay a far lower level than in any other EEC country. To reduce the surcharge from its existing level would not be consistent with wise economic policy.

Mr John Biffen (Oswestry, C)—The campaign to reduce and eradicate the surcharge has been assisted by the measures announced on account of the dangerous element of gamble there is in the current tax system.

Can he confirm that the public sector borrowing requirement will still remain at the 2.5 per cent of gdp for the current year? How will he protect himself from the monetary explosion that could come about if the exchange rate is rigged at the present level and there is a substantial inflow of foreign funds?

Mr Biffen is a member of the national, international and strident sense of the word. All I can do is recommend him to read the Nobel lecture of his guru, Mr Friedman, and he will discover which he has been conducting for so long and so well.

Mr David Howell, an Opposition spokesman on Treasury Affairs (Guildford, C)—Will he answer Mr Biffen's question? If it is the policy to keep the exchange rate at its present level, is it the policy to allow the reserves to continue

in place until its expiry at the end of the year and mid-term discussions with the IMF on our economic strategy will shortly be taking place as envisaged in our Letter of Intent.

The Treasury's financial situation also makes possible some adjustments in exchange control. First, I am making certain changes intended to help maintain or increase the overseas earnings of the financial services sector.

For this purpose I am relaxing somewhat the rules governing the amounts which insurance companies, banks and merchants are allowed to retain in foreign currency for the purpose of their business.

Secondly, I am further liberalizing the rules permitting non-resident controlled manufacturing companies to borrow sterling for their business in the United Kingdom.

Thirdly, I have decided to relate more closely to current money values the rules governing travel abroad, cash gifts and the basic allowances for emigrants.

For example, the foreign currency facilities which can be obtained from authorized sources for travel abroad to the Channel Islands are being increased from £300 to £500 per journey for holiday travel and from £75 to £100 per day for business travel.

As the House knows, the Chancellor of the Duchy of Lancaster (Mr Harold Lever) and the Secretary of State for the Environment, Mr Robert Gyles, have been studying the scope for a new headroom below the ceiling which I set for the public sector borrowing requirement this year.

It is argued that the taxation of business transfers is an inhibition on the growth of small firms. The measures should also if possible reinforce our attack on inflation and our commitment to the industrial strategy.

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Mr Healey—The exchange rate is today more than 20 per cent below the level at which it inherited it. The Government have been very successful in dealing with the problem of domestic inflation. The German experience has not been that rising prices have adversely affected the economy.

The whole contradiction of the economic policy has been put before the House and it has been clearly stated that the Government will not be tempted by the siren song of floating the pound.

Mr Healey—I know that view is widely held in the City by Mr Tapsell's friends. It is not held by those engaged in trade and production in this country. It is with the protection of our manufacturing base that this House should be primarily concerned. The sterling rate has risen 10 per cent in the last 12 months.

Mr William Massey (Ealing, North, Lab)—Much of what he has said could encourage trade union negotiators in the months ahead. Mr Healey—It is important that the country should recognize that as a result of the measures I announced in July and this afternoon a married man with two children will be better off at the end of this year even without a wage increase than he was at the beginning of the year.

A married man with two children on average earnings, about £80 a week, will only need about just over £2 a week more to maintain his living standards. There is a strong incentive for pay negotiators to limit the increase in their demands to the £2 a week in the Government's guidelines.

If they do so we shall be able to give further tax reductions in the next budget. The House and the country will be aware that an increase in living standards generated by tax reductions is infinitely better for the economy, employment and trade than an increase in living standards generated by an excessive wage increase.

Mr Dennis Skinner (Bolsover, Lab)—During the course of the Chancellor's speech the Leader of the Opposition (Mr Margaret Thatcher) looked decidedly influenced by the Chancellor's speech. It is because he has been stealing her clothes? (Laughter.) This is a ridiculous and untrue suggestion. (Laughter and interruptions)—and it ought to have been a little more advanced.

Will he tell the Treasury that if they want to increase consumer purchasing power to keep their hands out of the argument on every claim made in the so-called collective bargaining arena. If they want to use sanctions against firms that should use them against those firms that are constantly putting up prices to increase profits at a time when there is massive wage restraint, it is a flat-out period of two years. (Laughter cheers.)

Mr Healey—I can assure him that we have never been an anti-trade union Government. We have never been a transatlantic Government. The Government are determined to use their influence in the public sector, both as employers and in many cases as paymasters, and in the private sector, where they are free to grant or withhold discretionary assistance to private firms, to ensure that so far as possible their guidelines are adhered to.

If inflation starts taking off again next year the consequences for all the principles which Mr Skinner and I hold dear will be disastrous.

In response to a further question, Mr Healey said: I agree we have not done enough and I hope we shall be able to do more on a later occasion. The measures I have announced today will help bring about an improvement in our economic situation. We have a long way to go before we can feel satisfied.

That is why the Government have no intention of giving away the Government's demands of the Opposition for an early general election. The House prorogued.

Mr Peter Tapsell (Northampton, C)—The House knows, the Chancellor of the Duchy of Lancaster (Mr Harold Lever) and the Secretary of State for the Environment, Mr Robert Gyles, have been studying the scope for a new headroom below the ceiling which I set for the public sector borrowing requirement this year.

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Mr Healey—I can assure him that we have never been an anti-trade union Government. We have never been a transatlantic Government. The Government are determined to use their influence in the public sector, both as employers and in many cases as paymasters, and in the private sector, where they are free to grant or withhold discretionary assistance to private firms, to ensure that so far as possible their guidelines are adhered to.

If inflation starts taking off again next year the consequences for all the principles which Mr Skinner and I hold dear will be disastrous.

In response to a further question, Mr Healey said: I agree we have not done enough and I hope we shall be able to do more on a later occasion. The measures I have announced today will help bring about an improvement in our economic situation. We have a long way to go before we can feel satisfied.

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## WEST EUROPE

# Murder ruled out in report on deaths of Baader-Meinhof gang

From Patricia Clough Bonn

An official interim report on the investigations into the deaths of the three Baader-Meinhof terrorists in Stammheim high-security jail last week said that there was no basis or suspicions that they had been murdered.

A letter from one of the three, Andreas Baader, to a court earlier this month saying that he had intended to commit suicide led to the conclusion that they had deliberately planned to make their suicide look like the work of others, it added.

Baader wrote that if he and his colleagues were found dead they would have been killed in a good action of the judicial and political measures taken towards them.

He and Jan-Carl Raspe died from bullets in their heads and Gudrun Ensslin died from a gunshot wound to the head. A few hours after the rescue of 86 hostages from the hijacked plane at Mogadishu, his lawyers suggested that he had not committed suicide and this belief prompted demonstrations and attacks on German firms and property in many countries.

The provisional report on the last morning examination last week said that nothing was to contradict the official version of suicide. The full report is awaiting the outcome of a laboratory examination. Herr Armin Grünwald, a permanent spokesman, said the government plans to distribute the full report to correct erroneous beliefs about the suicides.

The interim report on the Stammheim investigations prepared by the Baden-Württemberg Land government to its parliament today, did not plain how and when the two pistols, a quantity of plastic, a radio and the contents of a secret communication network got into the terrorists' cells. The investigations are continuing as intensively as before, Herr Hans Filbinger, the 72nd Minister, said.

The report, however, threw suspicion on the terrorists' claim that many of them are already strongly suspected by the authorities of conspiring with their clients.

Despite thorough searches of

the lawyers' persons and belongings, even with modern equipment, "the possibility cannot be excluded that weapons and other objects, dismantled into tiny pieces, were smuggled into the prison by air."

It pointed out that body searches, particularly of women lawyers, were "by their very nature" difficult and that lawyers' conversations with their clients were not supervised. This prompted the Christian Democrat government to press urgently, as the party has already done on national level, for the supervision of lawyers' visits to jailed terrorists.

The isolation measures ordered by the Bonn Government after the kidnapping of Herr Schleyer six weeks before had been carried out fully, the report said.

Neither the guards on duty by the cells at the time heard the shots or noticed anything unusual, it said. A guard on the fourth floor heard one shot, which he assumed had been fired inadvertently by a policeman who had entered the jail.

The report added that the suicides could not have been predicted or prevented. "The suicide of a really determined prisoner cannot be stopped," it said.

A fourth terrorist, Ingrid Möller, who was found with stab wounds in her chest but survived, has claimed through her lawyer that neither she nor the others had intended to commit suicide, nor had she stabbed herself. She said that she had heard shots and noise, her cell door opened and she lost consciousness. When she came to she had stab injuries and lost consciousness again.

The Stuttgart public prosecutor's office said that Frau Möller's own statements were bloody when she was found, it added that her doctors found no evidence that she had been drugged. Both the pistols and the knife were bloody and it had not been possible to take any fingerprints.

The Hague: Three plastic bags containing red paint were thrown at the West Germany embassy here during the night.

—Reuters.

Rome: Bombs damaged four German-owned business premises in Italy early today.—UPI.

# Biennale's project on dissent faces obstacles

From Peter Nichols Rome, Oct 26

Signor Carlo di Meano, the chairman of the Venice Biennale, said today that he has not only had to face the violent opposition of the Soviet Union to his projected festival theme of "Dissent in the communist world" but also the obstacles put in his way by Italian institutions whose support he had sought.

His plans to include a month of studies in Venice of the achievements of dissent had been boycotted.

The readings or otherwise of Russia and other East European states to grant visas to persons invited to this initiative by the Biennale was, he thought, a case by which one could judge the real meaning of the Helsinki accords and the Belgrade follow-up conference.

But the reaction in Italy to his plans to evaluate the artistic products of dissent against the Soviet system seemed even more shocking to him.

He had asked, he said, for the use of the Palazzo Grassi in Venice for some of the visual art exhibits. It was denied to him by Signor Paolo Marinotti, the industrialist, who had been told by the Soviet authorities that if he allowed the exhibition to take place there, he would lose more synthetic fibres to the Soviet Union.

And as a good capitalist, he complied.

# Party propaganda to explain to faithful change in attitude to former ally French Communist drive against Socialists

From Charles Hargrove Paris, Oct 26

The French Communist Party has decided to launch an all-out propaganda campaign to explain its aggressive attitude towards the Socialist party and to recover some of the ground it has lost among left-wing voters.

No effort is being spared, and the large Communist propaganda machine has swung into high gear. Some 10m francs (£12.5m) are being made available from party funds to finance it.

The campaign will be directed from a special headquarters set up for the purpose under M René Piquet, the secretary of the party's Central Committee entrusted with propaganda. He is being assisted by five members of the Politburo, including three party ideologists.

The campaign is aimed at the party's 600,000 members.

Some 25,000 discussion meetings are to be organized in party cells throughout the country and a nation-wide door-to-door canvassing operation is planned between November 16 and 20 to recruit new supporters and distribute a special number of L'Humanité Dimanche explaining the party's stand.

Each day, campaign headquarters will issue the slogans and directives to the militants, and a special information service will be set up at the Central Committee to answer the questions of 150 regional and works representatives of the party.

The campaign was preceded last weekend by bringing together some 30,000 party activists for "reflection and study seminars" where the Socialist Party's "right turn" and penetration by bourgeois ideas were analysed in detail.

Parallel with this campaign, Communist Party leaders and

L'Humanité, the party organ, are keeping up a non-stop stream of attacks on their erstwhile Socialist partners.

The latest accusation is that the Socialists have joined other European Social Democratic parties in drawing up a supranational programme which is in direct contradiction with the Common Programme of the Left, and provides further "proof" according to L'Humanité, of the right turn of the Socialists.

M Robert Fabre, the leader of the Left Radicals, has commented that if the Communist Party is deploying all its heavy artillery to convince its rank and file, the reason must be that the party's new attitude towards the Socialists is not accepted by it without question. The clumsy insistence by L'Humanité on the alleged cohesion of the Communist Party seems to prove just the opposite.

# Death notes on Napoleon sold in Paris

From Ian Murray Paris, Oct 26

The medical notes drawn up by Dr Archibald Arnott, RN, on the last hours of the Emperor Napoleon on St Helena were sold in Paris today for 31,300 francs (£3,682) at Drouot's saleroom. The four notes sent from the doctor to Sir Hudson Lowe, the Governor, and with one made out at 5 am on May 5, 1821, which says: "No 1 has this moment expired."

Among the relics, which were largely sold to wealthy Corsican and French families, were some macabre relics of the post-mortem examination, including clippings from Napoleon's beard and hair and the hard dried 5cm-long tendon removed from his left arm. They fetched 11,000 francs.

A bust of Napoleon made with the body as a mould were sold for 24,000 francs.

Among the emperor's personal belongings were his silver drinking cup, sold for 63,000 francs, and other silver tableware, sold for 45,000 francs. The vessels carried the imperial arms.

The highest price was raised for a beautifully etched gun, which Napoleon had presented to a French naval officer before he was exiled. It sold for 362,000 francs.

The objects on sale were the collection of the Abbé Vignati, almoner on the island between 1819 and 1821. He had gone to the island to help the priest chosen to accompany Napoleon because he had medical training.

# Changes on the way in Spanish Cabinet

From Our Correspondent Madrid, Oct 26

Señor Suárez, the Spanish Prime Minister, intends to reshuffle his Cabinet, according to remarks made today by a spokesman for the ruling Democratic Centre Union.

Señor Guillermo Medina, the information secretary of the centre's executive committee, said that there will be a "readjustment" some time in the next three months.

"It has to be seen as some-

thing normal and not traumatic... in a democratic system the readjustment of a government is something normal, but I can't say when or how it will be done. In any case it will not affect the internal coherence of the centre nor of the Government. Only Señor Suárez has all the facts and he has the support of the centre."

The signing of the economic pact yesterday with all the opposition parties has made Señor Suárez rather unpopular

with the right wing of the ill-defined centre, for the pact does not represent the centre's own economic programme. Señor Suárez has had to make more concessions to the left than to the right in order to gain the support of the Socialists and Communists.

The replacement of Professor Enrique Fuentes Quintana, the economic expert and Señor Francisco Fernández Ordóñez, the Finance Minister, is not ruled out.

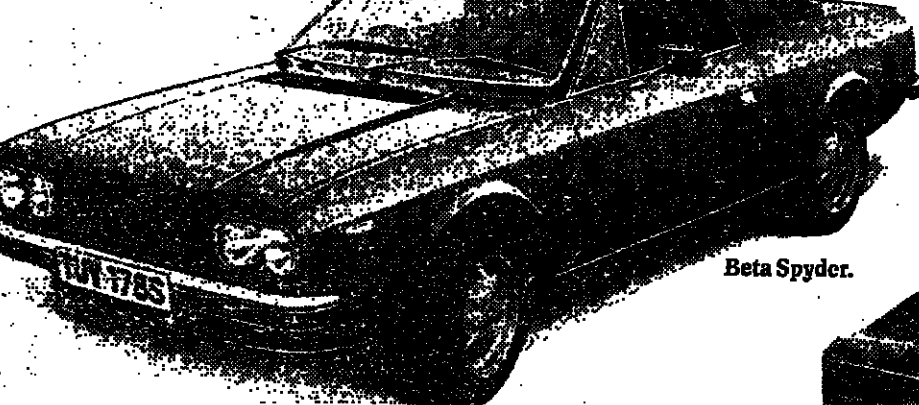
# Dumping control pact cuts Rhine pollution

Rotterdam, Oct 26.—The Rhine, often referred to as the "Sewer of Europe", is becoming cleaner as a result of international anti-pollution measures introduced last year, the Dutch institute for purification of waste water reported.

Tests at the Dutch border showed a big drop in the mercury, lead and copper content of the river.

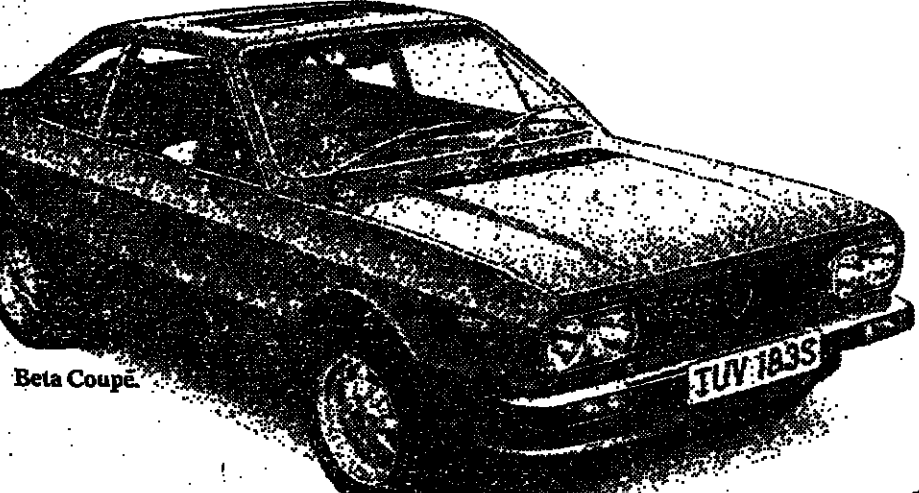
# THE LAST CAR YOU'LL EVER WANT TO DRIVE.

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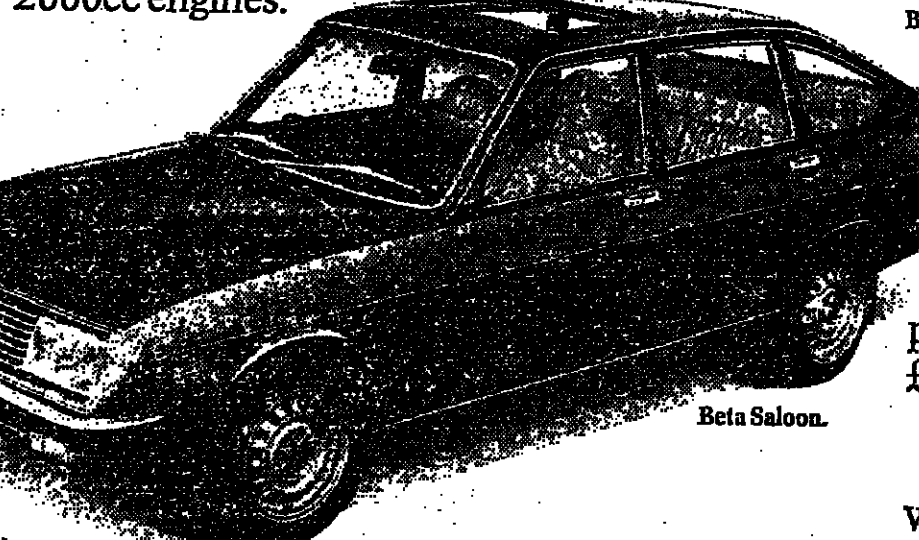
Beta Spyder.

back rear window, 5-speed gearbox and all. It'll make you lots of lovely friends (there's even room for two in the back), whether you have the 1600 or 2000cc version.



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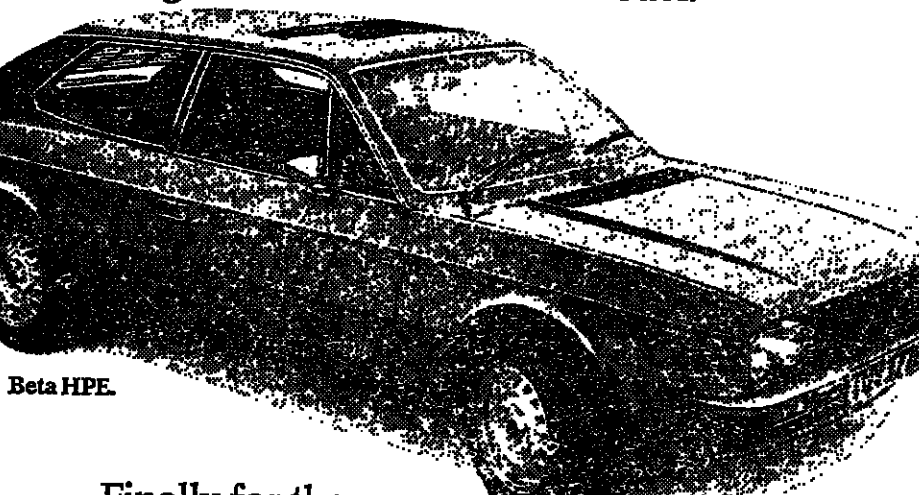


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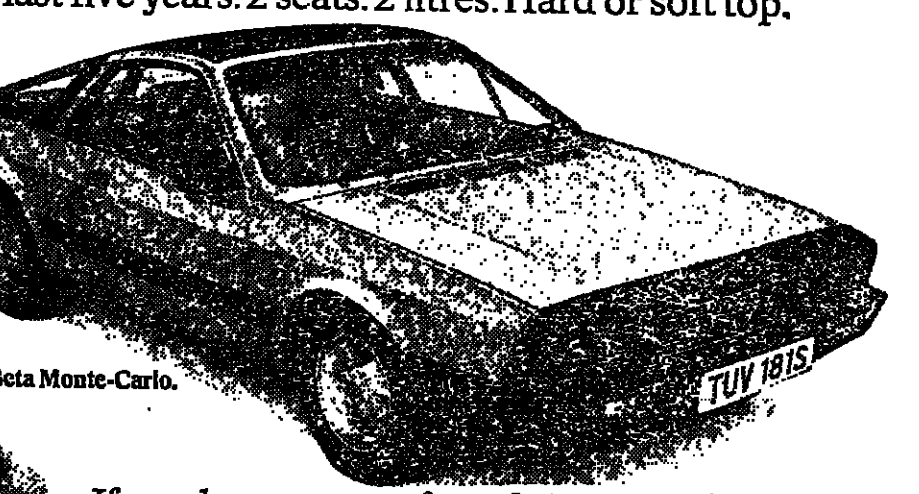
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Beta HPE.

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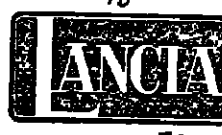


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\*Prices include VAT (8%), car tax, insurance (first year), delivery charges (UK mainland), but exclude number plates. Prices from: Beta Saloon - £3,175.38; Beta Coupé - £4,343.48; Beta Spyder - £4,723.29; Beta HPE - £4,785.30. The Beta Monte-Carlo costs £5,927.22. Personal Export: If you are eligible to purchase a Lancia free of taxes, contact our Export Department.

# ar ferries hit by Boulogne port blockade

From Our Own Correspondent Paris, Oct 26

About 15 trawlers threw a blockade across the harbour at Boulogne at midday today in test at the decision by the council of Ministers yesterday to extend the ban on herring fishing in the North Sea until the end of the year.

The action by the trawlersmen completely shut the harbour, making it impossible for any ships, including the car ferries, to come ashore.

There was no indication this time of how long the blockade at Boulogne would continue. A type of protest has been seen several times in recent years.

# Prisoner will not go to jail

Xen-Provence, Oct 26.—An appeal court ruled today that Jean Tonna, the European Jewellery boxing champion, not have to go to jail for an alleged driving incident in which a policeman was killed.

Tonna was originally sentenced to six months' jail with a further one-year suspended sentence. The appeal court reduced the jail term, but increased the suspended sentence to two years. Mr Tonna must pay substantial fines to the dean man's lawyer.—Reuters.

# Legal battle expected over Maria Callas's fortune

Our Own Correspondent Athens, Oct 26

As have been placed on the floor of the beautiful flat which Maria Callas, the singer, lived on the rue Georges-Mandel, near the Bois de Boulogne. The flat was closed because a legal battle seems likely over her

lived in the flat until her death on September 16, 1977, much of her time in the city at the back reading fan mail, listening to recordings of her past performances and organizing her

as she died it was said her will would be in favour of her mother and sister. Her lawyer includes the fact from her records. A search, however, has

failed to find a will. Mme Callas quarrelled so much with her mother that the two decided not to meet again.

A will has been put forward by Signor Gianbattista Meneghini, the Italian industrialist she married in 1957. He had discovered her soon after the Second World War when she arrived, almost penniless, from America to sing in Verona.

She had scarcely enough money to pay her hotel bill and Signor Meneghini helped her financially. They married in 1947 and he sold his factory to buy a house in Milan.

The question is whether the will in favour of Signor Meneghini is still valid. Whether there is a later will somewhere, or whether there are other claims on the estate.

# Soares gets reception

London, Oct 26.—Dr Mario Soares, the Portuguese Prime Minister, has received a cool reception at the start of three days of talks with political and business leaders on the country's economic crisis.

At his first meeting last night with the Communist-led trade union confederation, Soares said he was not a representative of the centre of organized labour. A union spokesman said a social pact at this was unrealistic.—Reuters.

# Hope of pact on border checks

Berlin, Oct 26.—The first round of negotiations between East and West Germany which resumed today in East Berlin after a year of deadlock, ended on a note of cautious optimism.

Herr Gunter Gaus, the West German negotiator, said after his meeting with Herr Rolf Ilgen from the East German Traffic Ministry that both sides were interested in reaching agreement on improving facilities at two border checkpoints by the end of the year.





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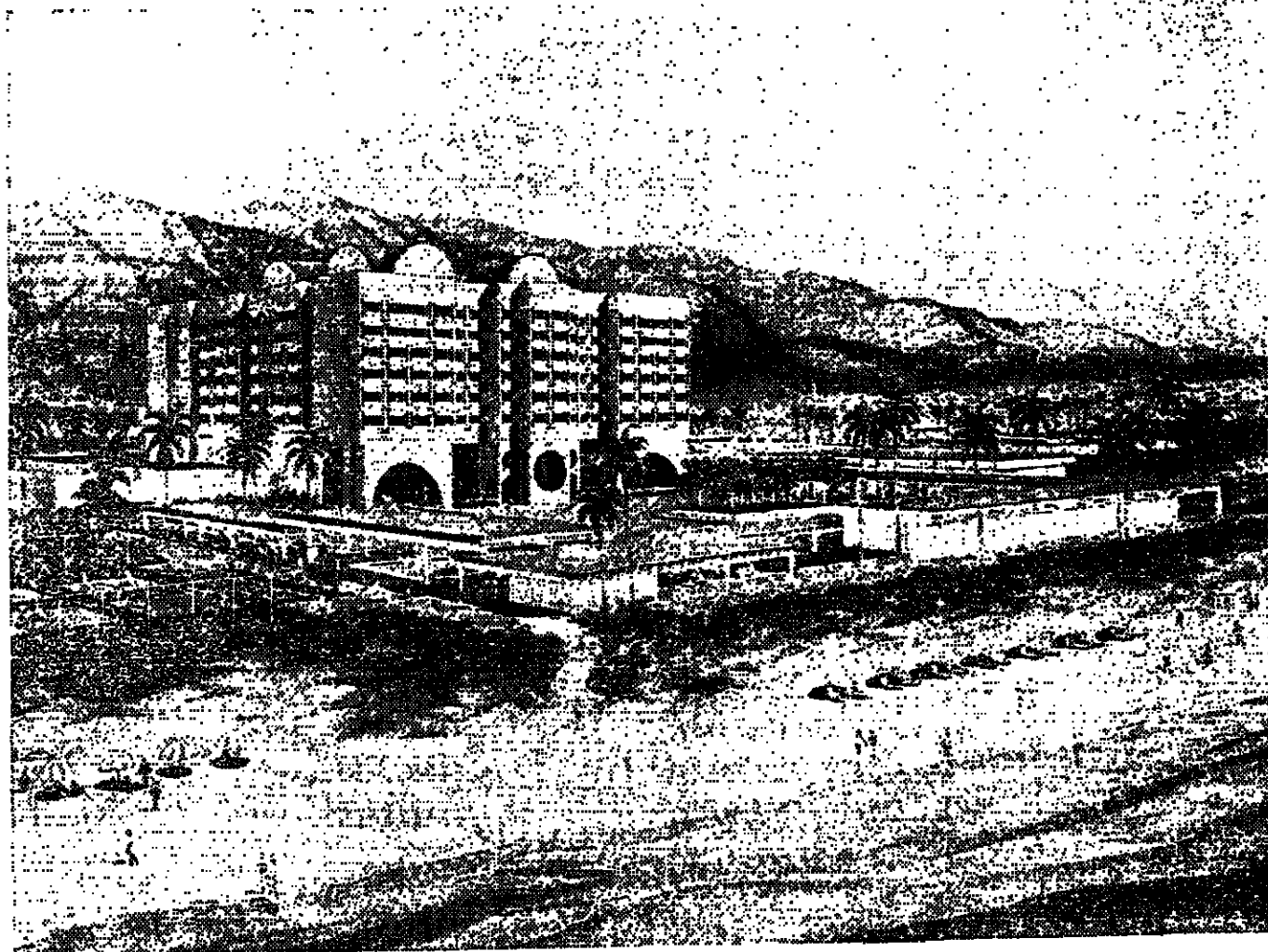
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### OVERSEAS

## Arab League asks EEC to end military and economic aid for Israelis and to recognize PLO

From Michael Harnby  
Brussels, Oct 26

Arab governments today called on the EEC to suspend economic and military assistance to Israel and to use "their material means and moral influence" to put pressure on the Israeli Government "to end the illegal and inhuman measures it is taking in the occupied Arab territories".

The appeal was made by Mr. Gaher Radwan, the Saudi Arabian Ambassador to the EEC, who heads the Arab League delegation attending the third meeting here of the general committee of the so-called Euro-Arab dialogue.

Mr. Radwan said it was high time the Nine translated their "fine words" into deeds. "How much longer must we be content with declarations without practical application?" he asked.

He acknowledged the remarkable progress represented by the statement by EEC heads of government last June, which spoke of "the need for a homeland for the Palestinian people". But he noted that this declaration was "silent about the place where this homeland will be created". Nor did it specify the right of the Palestinians to "repatriation, to self-deter-

nation and to the creation of an independent state".

In a clear reference to the controversial Jewish settlements established by the Begin Government on the West Bank of the Jordan, Mr. Radwan spoke of the creation of Israeli colonies and the modification of the juridical, geographical and demographic status of (the occupied) territories.

He urged EEC member states to recognize the Palestine Liberation Organization as the sole legitimate representative of the Palestinian people "in conformity with the decision of the overwhelming majority of the international community".

PLO representatives are included in the Arab League delegation, but their allegiance is not officially specified in deference to EEC sensibilities. The Euro-Arab dialogue was set up at the end of 1973 in response to the oil crisis, ostensibly to provide a forum for the promotion of economic cooperation and development.

There has always been a sharp cleavage between the Arab and European view of the dialogue. The Arabs have consistently demanded that it should be given a political dimension, while the Nine, in

the interests of maintaining relations with the Israelis, have sought to confine discussions to relatively innocuous economic matters.

A strongly political note was also sounded here today in a separate speech by Mr. Mahmoud Riad, the secretary-general of the Arab League. No real peace was possible in the Middle East, he said, so long as "the territories occupied in 1967 or any part of them remain occupied by Israel and as long as the Palestinian people are expropriated and deprived of their national rights".

On the economic front, both Mr. Radwan and Mr. Riad emphasized the importance attached to the transfer of technology from Europe to enable Arab countries to build up an industrial base. One of the matters before the present session of the general committee is the establishment of a special Euro-Arab institution to promote technology transfers.

The response from the EEC on the Middle East conflict in the Nine's known position side to the Arab statement was a speech from Mr. Paternoster largely confined to a reiteration of the EEC's position. The Belgian Ambassador to the EEC and leader of the EEC delegation.

## Ex-officer named in Hongkong bribes case

Hongkong, Oct 26.—Former Police Superintendent James Hunt, who was convicted here of corruption and is now living in Spain, was today named as a co-conspirator in one of the biggest alleged bribery cases in the colony's history.

His name was given in court by the prosecution when 34 policemen, including three British superintendents, were charged with "conspiracy to accept bribes and acting contrary to their public duties as police officers".

Mr. Hunt was called a co-conspirator for "obstructing the course of public justice and conspiracy to accept bribes".

Legal sources said Mr. Hunt would not be called as a witness in the present case. He was not charged today, although named as a co-conspirator.

The three British superintendents charged today were Norman Humphreys, aged 42, Marcus Pelly, aged 36, and David Edwards, aged 43, who were each released on bail of \$HK30,000 (£3,000).

The accused, including four Chinese chief inspectors, were arrested yesterday. The offences were alleged to have occurred between 1970 and 1976.

The court appearance today coincided with the start of the trial of Superintendent Roger Stephenson and 13 other policemen on corruption charges.—Reuter.

## Bomb attack on minister in Argentina

From Our Correspondent  
Buenos Aires, Oct 26

A powerful bomb today wrecked the office of General Horacio Liendo, the Argentine Labour Minister. The explosion blew out a wall and brought down the ceiling of his office in the Labour Ministry.

General Liendo was absent at the time. Casualties were avoided because guards spotted the bomb in a corridor outside the minister's office shortly before it exploded. The attempt will be seen by the military Government here as a warning of some importance amid the present concern about low wages and rising prices.

In two other attacks today, Major Rodolfo Marti, a senior official of the Buenos Aires municipality, was murdered by three unknown men as he left his home for work, and Señor Raul Castro Olivera, an adviser in the Secretariat of the National Presidency, was found riddled with bullets and covered with guerrilla leaflets.

He told the rest of the batmen, most of them sailors from the Britannia, and invited some to go back with him to confirm the sighting. Not surprisingly, most decided to head quickly for the beach.

One brave soul did go with him and corroborated his sighting of a shark some 9ft long. The Queen was not in the water at the time, but ventured in later.

Today the Britannia came up the Sir Francis Drake Channel, which used to be called the Virgin's Gangway, and moored in the harbour. The Queen and the Duke of Edinburgh came ashore in the royal barge and there was a fly-past by the three Dakotas of the local airline.

After inspecting a guard of honour, the Queen was driven to the assembly chamber, a single-storey white building 15ft by 20ft, resembling a modest village hall. Nearly 5,000 people, more than half the population of Tortola, were in town to see her.

The children waved flags and wore scarves bearing the message "Barclays Bank" in red, white and blue.

The smell of paint which permeated the town yesterday, as things were given a last-minute sprucing up, was replaced today with a smell of beer and rum. The bars had been open a while before the Queen's 10 o'clock arrival.

Inside the council chamber, three ceiling fans kept temperature to a tolerable level. The walls were except for a big Union Jack and a clock which was minutes slow.

The Queen's Speech to the Throne, outlining the grammar of the col Government, was packed intriguing detail. Proposals strengthen the island economy, soon to lose British assistance include development of "souvenir industries". The Queen announced plans for a new primary school and a teacher's house.

She went into the issue of footpaths, off-road trails and sewerage. There would now and sorely needed of in mosquito eradication. Strains of cattle, sheep and pigs would be introduced there would be an attempt to build an abattoir.

After lunch the Queen the Duke went to an agricultural and handicraft show on to the second big island in the group, St. Gorda.

## Dayan claim of British 'peace veto' disputed

By Our Diplomatic Correspondent

Mr. Dayan, the Israeli Foreign Minister, seems to have been mistaken in asserting that a British Government vetoed a peace treaty between Israel and Jordan in 1949, according to the British envoy concerned.

In his memoir *In the Wings* published last year, Sir Alec Kirkbride, who was High Commissioner in Amman at the time, concludes that "the difficulty was that the Israel Government was not ready to restore any meaningful area of land important enough to enable the King (of Jordan) and his followers to defy hostile Arab opinion and come to terms".

This was a pity, Sir Alec commented, because the history of Palestine might have been different had they come to an agreement. Confirming his account last night, Sir Alec said the British Government was all in favour of an agreement, if one were possible.

Mr. Dayan alleged, as reported in *The Times* yesterday, that as military commander in Jerusalem in 1949 he had negotiated a peace treaty with King Abdullah of Jordan, but Sir Alec intervened and the King then told him that the British Government would not allow the signing.

Amman, Oct 26.—Britain has pledged an additional contribution of nearly £600,000 to the United Nations Relief and Works Agency for Palestine Refugees, bringing its total for 1977 to more than £4m.

Tel Aviv, Oct 26.—A joint United States-Israel agricultural programme worth \$80m (£45m) was announced in Jerusalem at the end of a two-day visit by Mr. Michael Blumenthal, Secretary of the Treasury.

Describing the negotiations at length in his book, Sir Alec says that Israel's aim was to make a separate peace settlement. He was not present at the talks, between the Jordanian Prime Minister and an Israeli Foreign Ministry official, Mr. Shiloah, but was kept informed.

The King made no secret of that fact that his objective was to salvage some of the territory lost in the debacle, Sir Alec adds. But the Jordanians argued that they could only make a separate peace if they secured enough land to justify the agreement to Arab opinion as a whole.

Unless Mr. Dayan was involved in some other talks at the time, this account seems to be almost the opposite of his claim that it was Britain that blocked the treaty.

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## US likely support South Afr arms ban

From David Cross  
Washington, Oct 26

Although President Carter and his colleagues are refusing to disclose whether the United States Government, through its arms embargo, will support a man United Nations Arms embargo.

However, support for measures, like the introduction of immediate economic sanctions, is reported to have been rejected by Mr. Carter. President told reporters late yesterday that he had taken a decision about Administration's approach to United Nations action on South Africa, but declined to say more.

According to well-informed officials, the Administration has rejected economic sanctions because they alienate opponents in Congress whose support will be required for the controversial Panama Canal treaties to be ratified.

It has also taken account of South Africa's influence over Mr. Smith, the Rhodesian Prime Minister, the continuing Anglo-American relationship and the fact that it is bringing major changes to the country.

An American decision back a mandatory arms embargo would be a major step towards making it more difficult for South Africa to obtain arms shipments to Africa since 1963, although in the past resisted UN efforts to make ban obligatory.

American representatives consulting a number of United Nations member countries to coordinate action against South Africa. Britain and West Germany clearly the countries most involved in the discussions.

Meanwhile, Mr. Will Bowdler, the American Ambassador to South Africa, who recalled for consultations last weekend, is continuing negotiations with senior members of the Administration.

He saw Mr. Vance, the Secretary of State, yesterday, was apparently present at President Carter and his guests took their United Nations decision, probably on Monday.

A State Department spokesman said he expected Bowdler to return to South Africa within the next few weeks when his current round of consultations had been completed. By some time America's United Nations stance should have been made public.

Our Labour Editor writes: TUC General Council expressed "outrage" at recent events in South Africa and urged the South African Government to withdraw from the arms embargo, and release all those detained.

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## American Sithole aide is barred from Rhodesia

From Our Correspondent  
Salisbury, Oct 26

Mr. Neville Romain, a senior adviser to the Rev Nkomo, the Rhodesian nationalist leader, has been declared a prohibited immigrant, the Rhodesian Government confirmed tonight.

As is customary, no reasons were given. Mr. Romain, who says he is a former American counter-intelligence agent, is visiting the United States and will not be able to return unless the order is rescinded.

Mr. Romain, who is in his early fifties, travelled to New York earlier this month to try to arrange for Mr. Sithole to address the United Nations General Assembly. Mr. Sithole is at present in London and is expected to return to Salisbury at the weekend.

The two men became friendly with Mr. Sithole after he fled to Rhodesia from exile in July. In a press interview recently Mr. Romain, who was born in Cape Town of American parents, said he

believed he was "doing his bit" for Rhodesia by aligning himself with Mr. Sithole, one of the four major contenders for the leadership of the future nation of Zimbabwe.

Mr. Romain said that at one time he had served as a special agent for United States military counter-intelligence and had travelled extensively in black Africa. He spent most of his life in the United States, before going to South Africa several years ago and then coming to Rhodesia last year.

He resigned last month from an executive position in a city department store to advise Mr. Sithole.

The local press is unable to report the action against Mr. Romain because of regulations introduced earlier this month banning newspapers from publishing information about prohibited immigrants without the permission of Mr. Hilary Squires, the Minister of Law and Order. Mr. Squires has still to decide if he will permit the Romain story to be printed.

## Big Ethiopian militia unit surrenders to insurgents

Mogadishu, Oct 26.—More than 200 Ethiopian Government militia members surrendered yesterday at Gidir, Bale province, to forces of the secessionist Somali insurgents, their news bulletin. Danab, announced here today.

Among the 230 who gave themselves up was the former administrator of the town of Imi, 90 miles south-east of Gidir. Danab said he had been "forcibly recruited into the militia".

The bulletin also claimed that 200 Ethiopian soldiers had been killed and large quantities of arms seized during fighting over the past few days in the same region.

In the eastern Ogaden, Danab said, hundreds of refugees, mainly women and children, and elderly people, were in flight from Harer and Dire Dawa where the Western Somali Liberation Front is pursuing the offensive. It launched earlier this month.

However, the insurgents are apparently meeting strong resistance from the Somali Government forces, observers noted.

In Addis Ababa yesterday, a member of the Dergue, the ruling military council, denounced Somalia for carrying out an "extensive invasion" of Ethiopia.

Ethiopia claims that Somali regular forces are fighting the insurgents in furtherance of Somalia's long-standing claim to parts of south-eastern Ethiopia.

—Agence France Presse, Addis Ababa, Oct 26.—Colo Felke, Godlegor, Ethiopian Foreign Minister accused unnamed non-African countries of trying to "internationalize" the war in the Ogaden and said Ethiopia wanted an African solution.

Asked about the Soviet and Cuban presence in Ethiopia, the Colonel said his country had "very good relations with the Soviet Union", and only his "mercenary advisers from Cuba" were in the country.

—UPI

هكذا من الاصل



# SINGAPORE AIRLINES GOES SUPERSONIC!



Early December will mark the birth of supersonic travel to the Far East, with the introduction of Singapore Airlines' regular Concorde services between London and Singapore.

SIA's new Concorde service means yet another first for the airline and positions SIA as only the third carrier in the world to operate supersonic aircraft.

SIA's Concorde will complete the journey in just nine hours thirty minutes.

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## OVERSEAS

## Egyptians to suspend paying debts to Russia

Cairo, Oct. 26.—President Sadat said today that he was retreating from a Soviet arms embargo by suspending the payment of Egypt's military debts to Moscow for 10 years. Repayment of the debts, estimated at about £2,500m, will be stopped as of next January, Mr Sadat said.

Addressing a meeting of Mr Mamdouh Salem's new Cabinet, Mr Sadat said that the unilateral declaration of moratorium will be coupled with a ban on the export of high-quality Egyptian cotton to Russia and Czechoslovakia.

The Soviet Union imposed the arms embargo against Egypt shortly after the 1973 Middle East war, in protest against Mr Sadat's growing rapprochement with America. Russia also turned down repeated Egyptian requests for rescheduling the repayment of debts.

Indicating that repayment will be resumed afterwards, Mr Sadat said: "We are not refusing to pay, but the other side should understand our circumstances... a reference to Egypt's economic difficulties."—UPI.

## Mr Muhammad Esreb

In a report on President Assad's campaign against corruption published on September 14, 1977, it was erroneously stated that Mr Muhammad Esreb had been arrested and temporarily held in custody. Mr Esreb has not at any time been arrested or held in custody. We apologise to Mr Esreb for the publication of this inaccurate report.

## Cabinet reshuffled in Cairo to help speed economic reform

From Our Correspondent  
Cairo, Oct. 26

Dr Abdul Moneim Kalsoumy, Egypt's Deputy Premier for Economic Affairs, has taken over the key post of Minister of Planning in addition to his other duties in a reshuffle of Mr Mamdouh Salem's Cabinet.

Dr Kalsoumy is leading the ministerial team entrusted with the thorny task of improving the country's ailing economy. The group comprises the ministers of economy, finance, planning and trade, all of whom have retained their posts except Mr Abdul-Razak Abdul-Meguid, the Planning Minister, who was dropped from the Government.

The reshuffle, approved by President Sadat, was the second since Mr Salem formed his first Cabinet in 1975.

Mr Ahmed Hilal, the Oil Minister, was given the additional portfolio of Industry and Mineral Wealth, replacing Mr Issa Shalash who took over the Ministry of Administrative Development replacing Mr Ali Abdul-Meguid. The Interior Ministry formerly run by Mr Salem, was given to Major-General Nabawy Ismail, the Deputy Interior Minister.

Muhammad Hassan the Housing and Reconstruction Minister resigned and was succeeded by Mr Hassanullah Kafaui, and the Transport Ministry was given to Mr Abdul Sattar Megahid, replacing Mr Abdul Farah Abdallah.

Mr Abdul-Latif Boulkia, the Manpower Minister, was replaced by Mr Saad Muhammad Ahmed, Mr Kafaui, Mr Megahid and Mr Ahmed were appointed ministers for the first time. There was no

change in the portfolios of war and foreign affairs.

The semi-official Cairo newspaper earlier reported that the reshuffle was meant to speed up economic reforms, to implement development programmes and to eliminate red tape.

Meanwhile, President Sadat and President Nimeiry of Sudan concluded lengthy consultations last night which dealt with the Middle East crisis, African problems and consolidating further bilateral relations.

Speaking to reporters after their meeting, the two heads of state said that efforts were being made to improve relations between Egypt and Sudan on one hand and with Libya on the other.

Egypt and Sudan, bound by a political and economic integration programme and a joint defence pact, have sharp political and other differences with Libya. President Sadat said: "Differences between the Egyptian and Libyan peoples are not in the interests of the two countries. We do hope the situation improves."

In a move to mend Egyptian-Libyan fences, the two countries last week agreed to re-open the Egyptian Consulate in Benghazi and the Libyan Consulate in Alexandria.

President Nimeiry said that "attempts to improve relations between Sudan and Libya are under way." In July last year, Sudan and Egypt accused Colonel Gaddafi, the Libyan leader, of backing an abortive coup in Khartoum to overthrow President Nimeiry.

The Sudanese President also spoke of attempts to improve relations between his country and Ethiopia, and Egypt and Ethiopia.



Sir Keith Holyoake at his swearing-in enjoys a joke with the Chief Justice.

## NZ politician to represent the Queen

From Our Correspondent  
Wellington, Oct. 26

Sir Keith Holyoake was sworn in as Governor-General of New Zealand in a ceremony in the grounds of Parliament today. Sir Keith is a former Prime Minister, having served briefly as head of a National Party administration in 1957

and again from 1960-72, when he stood down. The announcement of his appointment earlier this year provoked controversy, with critics saying that his partisanship made him unsuitable for the role of the Queen's representative at the time. At the time of the announcement Sir Keith was Minister of State under Mr Robert Muldoon, the present Prime Minister. Last night Mr Wallace Rowling, Leader of the Opposition, reiterated the Labour Party's objection to the "blatant political appointment." However, the Opposition would "do what is required to pay proper respect to the Queen. But that is the beginning and end of it. When it comes to birthdays we shall leave it to others."

The Labour Party's Maori Policy Advisory Council has withdrawn its call to Maoris to refuse Sir Keith a welcome on the Maara—traditional tribal grounds.

Sir Keith, aged 73, was born in New Zealand. He entered Parliament in 1932, serving almost continuously until the announcement of his present appointment, in which he succeeds Sir Denis Blundell.

Sir Keith said at today's ceremony, "In my wildest dreams, I never thought I would be invited to represent the Queen in our country."

The leading Conservative candidate is Senator Belisario Betancourt, a former Minister of Labour.

General Alvaro Valencia Tovar, who was dismissed from his post as army commander in 1975, has announced that he will stand as an independent, but he is given little chance of success.

The military has seized power only three times in Colombia—in 1830, 1834 and 1953—and most observers believe a recent declaration of Senator Abraham Varón Valencia, the Minister of Defence, that the armed forces have no political ambitions.

Nevertheless, rumours of a coup attempt, which are periodic, are a further indication of the nation's deepening divisions.—New York Times News Service.

The Liberals must settle their differences by February when a party primary is expected to choose between Señor Carlos Lleras Restrepo, a former President, and Señor Julio Turbay Ayala, a former Ambassador to Washington.

The report presented to Parliament yesterday, the commission found that the number of foreign intelligence agents working in Australia was growing, and recommended that ASIO be reformed and its powers extended.

The report referred specifically to the Soviet Embassy in Canberra where it said more than half the 13 diplomats were engaged in intelligence operations.—Reuter and AP.

The WHO list, which includes anti-cancer drugs, has been drawn up by a committee of leading pharmacologists, clinicians and public health specialists.

They conclude that "in the light of present scientific medical knowledge about 200 essential drugs are indispensable for the health care of the vast majority of the population."

Dr Vittorio Fattorusso, the committee chairman, who is head of the WHO's pharmacology section, said at a news conference that the list will enable developing countries to identify their own priorities and make their own selection.

The main principle, he added, had been to choose only those drugs for which adequate scientific data on benefits and risks were available.

Some developing countries were spending up to 40 per cent of the total health care budget on drugs. For affluent nations, the proportion was 10 to 20 per cent "and their governments are increasingly worried by the rising expenditures for pharmaceutical products."

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## Russians to continue economic aid to India

Moscow, Oct. 26.—Mr Morozov, the Indian Prime Minister, confirmed at a press conference today that the Soviet Union had committed itself to give India further economic aid.

He said details of the projects involved would be worked out by experts later, and that his five-day visit, which ended today, had enabled the two countries to reinforce their friendship and give it a richer content.

Mr Desai, whose ruling Janata Party was condemned in the Soviet press as a "reactionary block" before it won the general election last March, said his talks had shown "a conviction on both sides that friendship between our countries is abiding."

India receives extensive military and economic assistance from the Soviet Union. Moscow effectively assumed much of the burden for India's development under a 15-year accord reached during a visit to Delhi by Mr Brezhnev, the Soviet leader, in 1973.

Mr Desai, in an apparent reference to the Soviet links for demilitarisation of the Indian Ocean, said discussions were "fairly satisfactory" at this stage.—Reuter and UPI.

His policy, he said, meant "friendship with all peoples without exception" and not development of links with one country at the expense of relations with another.

The Prime Minister said his talks included a report on American-Soviet negotiations for demilitarisation of the Indian Ocean. He said discussions were "fairly satisfactory" at this stage.—Reuter and UPI.

## Gandhi inquiry told how attack story was 'planted'

From Richard Wigg  
Delhi, Oct. 26

Two journalists today told a commission of inquiry into alleged excesses during the 20-month state of emergency imposed by Mrs Gandhi, how the story of the assassination attempt on her life was "planted" during the general election campaign last March.

The commission, under Mr Justice Shah, a former Chief Justice, then asked Mrs Gandhi to appear before it on November 7 and 8.

Mr P. S. Keshkar, news editor of Samachar, the news agency established by Mrs Gandhi, told the commission on oath that his only source for the news of the assassination attempt was Mr Mohan, then Minister of State for Home Affairs and a close confidant of Mr Sanjay Gandhi.

Mr S. C. Shastri, director of news service of All-India Radio, said in his evidence that Mr Y. C. Shukla, then Minister of Information and Broadcasting, had telephoned the radio's director-general between 1 am and 2 am on March 15 to give him details of the alleged attack.

The story of the assassination attempt was intended to arouse a wave of sympathy for Mrs Gandhi's Congress Party and was announced just as the election campaign ended. It was released too late for any of the Indian newspapers to be able to contact their local correspondents to verify it. Mr Gandhi was later overwhelmingly defeated.

In the presence of Mr Shukla, who is expected to be called to testify later, officials and senior journalists of All-India Radio, Indian Television and Samachar recounted how the news was planted in favour of the Congress Party even after the general election campaign had begun and censorship was supposed to have been relaxed.

Philippines troops fail to capture rebel stronghold

Zamboanga City, Oct. 26.—Philippine troops today, after a week of fighting, failed to capture a heavily fortified Muslim rebel camp north of here but were beaten back by the rebels, a military spokesman said.

Colonel Honesto Isera, spokesman for the southern command, said the troops met unexpectedly strong resistance when they tried to overrun the camp, about 50 miles north of Zamboanga City.

The rebels in the camp, believed to number about 2,000, have been blamed for a series of attacks near here last week, breaching a 10-month ceasefire between the government and the Moro National Liberation Front (MNLF).

Front is fighting for an autonomous Muslim region in the southern Philippines. Hotel owners asked the military today to tighten control on the dissemination of news from the southern Philippines because they said it was ruining their business.

The hoteliers want the Army to make reports stop using Zamboanga City headlines for stories describing the continuing Muslim rebellion. One said that the reports gave the erroneous impression that "Zamboanga is a war-torn city," causing prospective tourists to shy away from the area.

Colonel Isera refused to take action against journalists many of whom are correspondents for international agencies. He said it would be unethical for them to write under false names other than Zamboanga City because they seldom leave the city due to the uncertainty of the situation elsewhere in the south.—Reuter and AP.

Drug firms upset by WHO list of cheap medicines

From Our Correspondent  
Geneva, Oct. 26

The World Health Organization's work in helping developing countries to select a limited number of cheapest, effective drugs is being criticized by the pharmaceutical industry as an "unacceptable concept" which would severely retard medical care.

The WHO list, which includes anti-cancer drugs, has been drawn up by a committee of leading pharmacologists, clinicians and public health specialists.

They conclude that "in the light of present scientific medical knowledge about 200 essential drugs are indispensable for the health care of the vast majority of the population."

Dr Vittorio Fattorusso, the committee chairman, who is head of the WHO's pharmacology section, said at a news conference that the list will enable developing countries to identify their own priorities and make their own selection.

The main principle, he added, had been to choose only those drugs for which adequate scientific data on benefits and risks were available.

Some developing countries were spending up to 40 per cent of the total health care budget on drugs. For affluent nations, the proportion was 10 to 20 per cent "and their governments are increasingly worried by the rising expenditures for pharmaceutical products."

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## Who needs ecologists?



Since the environmental revolution of a decade ago, local authorities throughout Britain have been appointing ecologists—people whose job is to improve the quality of our lives by their influence on planning decisions. But how effective are they? Is the ecological input into planning genuinely worthwhile, or merely cosmetic? To answer these questions, *New Scientist* has commissioned a survey of ecologists and the people who use their services. Today's issue carries the first of three articles by John Elkington and John Roberts reporting the findings. Certainly, ecologists are allowed to "emerge" in a haphazard way that would never be countenanced for doctors or surgeons. Many of them, according to the *New Scientist* study, feel that they are "on trial". What will the verdict be?



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## NEW BOOKS/ONE

## Magnificently into focus

Chateaubriand  
Volume I: the Longed-for  
Tempests  
By George D. Painter  
(Chatto & Windus, £7.95)

Chateaubriand is one of those towering figures of European Romanticism, like the Goethe of *Young Werther*, who for some odd reason have never been found a real home in the English imagination. The distant (probably schoolroom) echoes of young René weeping for irrecoverable love and inescapable melancholy on the autumnal banks of the Meschacabé (or Mississippi), did not strike us with the same clear chord as Byron in Greece, or Wordsworth in the Lakes. Even the *Mémoires d'Outre-Tombe* have not carried his personality across the Channel with any distinction (though he came eventually as French Ambassador) and subsequent attempts by André Maurois (1938) and several romantic lady-authors have missed over, rather than clarified, that formidable portrait. Like his famous tomb on the islet of the Grand-Bé off Saint-Malo (where Sartre and Mlle de Beauvoir once performed strange rites, he has remained a distant, shrouded figure—alien, offshore, and more than a little bleak, wrapped in his aristocratic gloom.

This first volume of George Painter's new biography (1976-1979) falls, in consequence, upon his reputation with an effect that I can only liken to sudden and brilliant sunshine. The man leaps out of the obscurity of his monument; and not only the man but behind him an entire historical landscape surges into the light. It is what the French call an *éclaircissement*.

As one would expect from the author of *Marcel Proust* (1959), this is a finely detailed and scholarly work, making inspired and sometimes controversial use of M. Levaillant's modern comparative editions of the *Mémoires*, and bringing to bear a mass of specialist monographs and regional literature relating both to the Brittany childhood and the American journey of 1791, the two primary sources of Chateaubriand's imaginative world.

But the promise of this first book lies in a different quarry. It is the almost Balzac-like solidity and animation which Painter brings not merely to the character of the young Chateaubriand, but also to his *terre natale* to his family circle, and so steadily forwards into the entire net-

work of a doomed but vivacious aristocracy, first in Brittany, then in Paris, then in the *émigré* Princes, as they are scattered by the gathering forces of the French Revolution—towards dismemberment, execution, or exile. It is the quality of epic.

We glimpse family scuffles in the backstreets of Saint-Malo or Rennes (where Chateaubriand's schoolfriend, Saint-Réal, is shot through the heart), which are soon transformed into the scuffle that storms the Bastille in Paris (this time watched by Chateaubriand from a carriage near the fence of the Beaumarchais gardens); and later still, transformed again, symbolically, when President George Washington suitably passes round one of the hundreds of supposed "Bastille keys" at a dinner party attended by Chateaubriand in Philadelphia. The effect of such sequences is one of the most exciting that biography can produce: the effect of history in the making, of events moving continually from a local and human scale, to a national and historical one.

Much depends on the sensitivity with which Painter handles his protagonist, allows him to speak through the *Mémoires* (beautifully translated), and to grow slowly intimate with the reader. Chateaubriand's adolescence, in the walled chateau of Combourg, shut away with his pious mother, his abrupt and remote father, his pale and entranced sister Lucile, is one of the great set-pieces of French Romantic autobiography. It is shadowed with vague undercurrents of suicidal melancholy, incest, and wild semi-erotic communings with the imaginary Sylphide. Painter responds magnificently, building up the picture with exquisite care and exact, shrewd questions and drawing intelligent deductions about the reality of those relationships, once lived, but continually relived. At the same time, in really remarkable passages mixing topography, botany, and folklore, he draws an unforgettable and voluptuous evocation of the Breizh landscape, and all that "lost woodland of Lyonesse".

Perhaps the most surprising revelation is how far the celebrated melancholy, the *mal de siècle* of the textbooks, was a subsequent development, an act of recollection, a reaction to Revolutionary history as much as personal psychology. Indeed young Chateaubriand is shown as an attractive, robust, thoroughly well and thoroughly

likeable provincial aristocrat of his day: a dandy at school, and an insouciant popular figure in his royalist regiment. It is striking how quickly most people took to him: if not Mme Rose in the over-night post-chaise to Paris, then the wily old statesman Malesherbes, or the suspicious group of Red Indians near the Niagara.

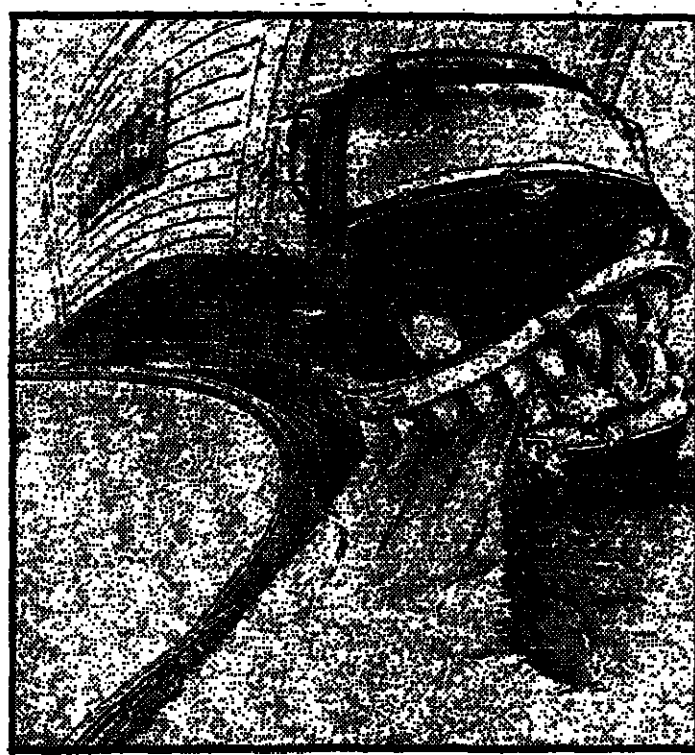
Certainly one feels the strength of his still unclouded enthusiasm for life on his American travels. Painter is characteristically the first biographer to establish a really convincing route of this strenuous journey (with detailed timetables constructed from other travel-narratives of the period). He argues that young René must indeed have descended the Ohio on a flatboat raft at least as far as the confluence with the Mississippi, below Louisville, where he met his two beautiful Floridians, the "painted girls", and slept innocently on the shore gathering moonlight with the originals of *Atala* and *Céluta*.

Yet on this journey, we have the first clear intimations of the future *mal*. It gathers in the waters, in the plants, in the winds, in the distant horizons. It ambushes him quietly, without warning. One evening Chateaubriand goes, in his likeable way, to inspect the vegetable garden of the lonely governor of Saint-Pierre, and both of them, the old aristocrat and the young, look back with sudden tears towards the France that is already changing (it is 1791) and moving for ever out of reach.

A delicate insect scent of helliotrope was exhaled from a little bed of beans in flower, and wafted to us not by a breeze of our own country but by a wild Newfoundland wind without kindness to the exiled plant, without sympathy for memory or delight. In this perfume that day has never breathed, nor purified in her breast, nor scattered in her footsteps, in this fragrance estranged from its natural daydream and cultivation and world, lay all the melancholies of regret and absence and youth. They climbed the lookout flag, where the new colours flung flapped over their heads.

It is the harvesting of this experience that lies ahead: for the exile, the literary lion, the ambassador, the incomparable friend of the incomparable Madame Récamier. For the time being we leave young Chateaubriand moving, in every sense, towards the shores of England, in the glow of a biography that promises to be of absolutely the first magnitude.

Richard Holmes



The choice of Jeanette Collins, our Design Editor, from European Illustration '77 '78 (André Deutsch, £16.50), a handsome survey of design mainly in the media. The artist, John Mac, used gouache and pencil, and the copyline reads: "The new Pirelli FA/88. Designed to eat up the miles without swallowing the profits."

## The body speaks

Manwatching: a Field Guide to Human Behaviour  
By Desmond Morris  
(Cape, £7.95)

Desmond Morris has the peculiar tendency to "go ape" when confronted by the complexities of human behaviour; instead of attempting to understand man through his art, literature, religion, philosophy or ideology, he prefers to operate with the philosophically dubious notion that there are certain unmediated biological aspects of social action which are not contaminated by culture and experience.

Although his attempts to read the world in this manner can be great fun—rather like watching someone trying to swim without letting any part of their body touch the water—it is something of a relief to find that they are initially more of a background feature in this latest Technicolour blockbuster. No doubt this can be partly attributed to the fact that the authorities on body language who help to provide the meat for the encyclopaedic Birdwhistell, Goffman and Scheflen—have as much affinity with Morris's style of biological determinism as they have with phlogiston theory.

So while Morris may not show us the settings in which their data originally existed, neither does he go against the grain by insisting too frequently upon the tribal or animal origins of the thousands of gestures he describes. It is just as well; he would be hard pressed to argue that the sex selects had any immediate instinctive significance. Indeed the credibility of his interpretations of particular gestures—statements that this or that move can be taken to indicate this or that intention or emotion—depend not upon any intrinsic character of the gesture but rather upon our recognition of the context in which it is occurring. It is this which makes Ann Davies, the modestly billed picture researcher, the co-star of the production. Imagine any or all of these gestures—the raised arm, the wide open eyes, the slumped body—being demonstrated not by the characters but by Ann Davies's pictures of Muhammad Ali, a beauty queen, a teenage hippie) but

by naked figures in a feature-pose becomes obvious. Something more than a knowledge of the angle of the hand and the speed of its rotation is needed to distinguish between waving and drowning.

Morris does tell us that his book is intended for the "general reader" and so perhaps some simplifications are forgivable in what is often a clear and careful introduction to an involved subject. But one wonders what Clapham man will make of the biological theories of altruism and aesthetic behaviour which suddenly crop up among the body-watching. I suppose someone somewhere could be convinced that some who work in African leper clinics (and I quote an actual example) are really biologically determined because they are caring for a sort of family and thereby safeguarding their own "genetic material". But how "general" a reader do you have to be in order to accept a theory of aesthetics which asserts that the *tautology* is at the root of all art, literature and music.

If Desmond Morris persists in this sort of myopic manwatching, we perhaps ought to send someone along to keep an eye on him.

Laurie Taylor

## Life and work

Elizabeth Bowen: Portrait of a Writer  
By Victoria Glendinning  
(Weidenfeld & Nicolson, £5.50)

Recently a bookseller who lives close to the site of Bowen's Court, offered to sell me a copy of Elizabeth Bowen's *Encounters*. A second edition, the fly-leaf carried the author's inscription "A.C.C. 26 years afterwards from Elizabeth". The anniversary was both of her marriage and of the publication of this volume of stories. The coincidence of anniversaries in life and art, together with the strict (perhaps chilling) economy of the dedication, made me feel that the novelist's major problem facing her biographer is to account for the relation between fiction and fact.

Elizabeth Bowen has already given us a vivid picture of her Anglo-Irish family background in *Bowen Court*, and Mrs Glendinning adds a later chronicle which is based on the novelist's working life as a novelist living in England. Society appears all too easily as an enhanced circle of Lord Dunsany, Sir Mervyn, Virginia; the real depth of the fiction is, I believe, never fully understood, and the result is "a portrait of the writer" which moves uneasily between the life and the work.

The Second World War (so crucial in the development of other Anglo-Irish writers of the same generation, Samuel Beckett, Louis MacNeice and Francis Stuart) presented a dilemma to Miss Bowen: was she Irish and neutral, or British and belligerent? The biographical answer is amply provided by Mrs Glendinning—Elizabeth Bowen prepared a report for Whitehall on Irish attitudes to the conflict—but the artistic response, *The Heat of the Day*, is crudely summarized, and its analysis of the guilt inherent in divided loyalties glossed over.

But *Portrait of a Writer* has its uses. Mrs Glendinning has gathered a great deal of material about Elizabeth Bowen's social life, and even a little about her sexuality, material which may not be available in 20 years time. Had she determined to write a more rigorous and critical account of her subject some at least of these sources might have been closed to her. As it stands, this is a disappointing and yet tantalizing book.

W. J. Mc Cormack

## Fiction

The Confessions of Josef Balaz  
By Dan Jacobson  
(Secker & Warburg, 3.90)

They  
By Kay Dick  
(After Lane, £2.95; Penguin, 70p)

The fictions that linger in the memory this week are two political and prophetic pieces, exploring the dark side of man's relationship to the state. If he thought that the world they project was ineluctable, a man would find a tall pillar and become a stylist. Dan Jacobson's new novel is set in a state that is founded in no design or purpose but resembles to many modern countries that call themselves democracies and rant about civil liberties at the United Nations. The pervasive fear and treachery are characteristic of closed societies since Plato's Republic.

The anonymous Josef, who is indulging in the pleasure known only to truly deceitful people of confession, is in spite of his name, a disciple of Jesus by repeated betrayals of his family, his patrons, his friends and lovers, he climbs the monkey-puzzle tree of power in the ramshackle dictatorship that rules the country incompetently but irresistibly. Treachery is his God. The only people he can love are those he knows he is going to betray. Looking forward as actor his career seems a mere sequence of evil, without design or purpose. Looking backwards as candid autobiographer he can make it resemble a plot leading to a necessary conclusion.

The use of time is brilliant, by indirections dropping dark hints of betrayals in the past and ominous echoes of what is past. In the end, after he has reached the top of the tree in the Ministry of National Guidance, the specialist in love and betrayal betrays even his private God of falsity, and a domesticated, a strange and memorable break, profoundly pessimistic about politics, but profoundly optimistic about the spark in even the most unpromising human spirit.

Kay Dick's *They* are sinister gangs of itinerant Philistines, they destroy in a post-revolutionary England somewhat fouler than 1984. We unhappy few are the surviving isolated individuals trying hopelessly to hang on to culture and civilization. We have cultivated names like Adrian and Gertrude, dogs, a pig, a chess, and remember love for each other and nature. They are omnipresent but elusive, burn books, smash paintings, tear flowers, gouge the eyes out of kittens, and appear in a long line on the crest of the Downs carrying staves. Treachery is a conspiracy. Non-conformity is an illness. Love is unsocial, inadmissible, contagious because it administers communication. Memory and emotion are burnt out of the sufferers from them in psychiatric towers.

The nightmare atmosphere is economically but overwhelmingly created in nine linked but separate short stories of about 5,000 words each. They are strong stuff, beautifully written, to make a man look behind him in fear and dread when walking down a leafy lane. Both books are potent warnings against those who say: "Truth to the police and us; we know the Good."

Philip Howard

## Fiction in brief

The Return of Reginald Perrin, by David Nobbs (Collins, £4.20; Penguin, 75p). When Reginald Perrin first fell and rose to fame between hard covers he was a very funny man, sparkling with mad verbal wit and an Everyman's quiet desperation with life with which we could all identify. So he was turned into a television series which was still funny, largely because of a brilliant portrayal of Reggie by Leonard Rossiter. But the wit had gone, because television is so much more cumbersome a medium than the word. Now Reggie returns. He has left the mundane world of suburban desperation for more fantastic pastures. He is still funny. But he never can quite recapture the first, fine truthful rupture.

The French Consul, by Lucien Bodard, translated by Barbara Bray (W. H. Allen, £4.95). The vivacity of this memoir of pre-revolutionary China is dazzling. It is in five parts, with three in the form of an historical novel from 1914 to the 1920s in magnificent and backward Szechwan; one part is about the British in nineteenth-century Shanghai and 100 pages tell of the French consul's fantasies of grandeur while smoking opium. The most subtle character is his wife, referred to as the Lady Macbeth of Chengtu. Her son, nurtured on myths, finds himself part of daily cruelty larger than any legends. The narrative could be shorter, especially on the dubious art of not losing face sometimes by literally blinding others, but it's compulsively observant.

Scenes from a Receding Past, by Aidan Higgins (John Calder, £4.95). The writing here is well-arranged, often brilliant. Don't be misled by some of its nostalgia as two brothers grow up in southern Ireland and one escapes to London. Aidan Higgins brings precise eloquence to his impressionistic style, sparing with pain as well as with merriment.

## Tangled roots

The Damnable Question: a Study in Anglo-Irish Relations  
By George Dangerfield  
(Constable, £2.95)

This book takes its ironic title from Aquinas's heartfelt remark, written to his wife from Dublin in 1916, "You will never get to the bottom of this most perplexing and damnable country." It is significant that George Dangerfield employs the latter adjective and not the former. For he is evidently not at all perplexed by the Irish question, whose history he traces from 1800 to 1921, concentrating most heavily on the period of the Easter Rising.

Everything is quite straightforward. Ireland was governed by an alien and hostile people led by politicians who were bloodstained knives of unthinking tools, sometimes both. Unpleasant were "Orange extremists" but they would, nevertheless, have been prepared to embrace "independence without partition" in 1912 if only the "damned Unionists" had accepted Home Rule. The "villains" of 1916 were "villains". Had the Irish called Lloyd George's bluff in 1921 and stuck out for full external association "a privileged, segregated 'Ulster' might have come under All-Ireland partition" and "there would have been no civil war".

In short, Mr Dangerfield has distilled a neat potpourri, obviously intended to warm the romantic cockles of Irish-American hearts. This is a great pity. Ireland has need of sober historians not spirited ideologues.

Mr Dangerfield's interpretation is unoriginal. His speculation is implausible. He makes a number of factual errors: for example, Parnell joined the IRB in December, 1913, not February, 1914. He

omits significant considerations which tell against his case, such as the importance of John Bull's money to so many Irish households—whose war were fighting in the Great War? He hardly mentions social, economic and religious aspects of the Irish question. Above all, like both Parnell and Parnell, he refuses to face squarely the fundamental issue of Protestant Ulster, which was, as it still is, a uniquely alternative to bloody conflict between North and South. To pretend otherwise is to give aid and comfort to those who actually want civil war.

To oversimplify Ireland's past is to make her present problems more difficult. I valued Mr Dangerfield's book for its wit, when Lloyd George endeavoured to focus his attention on the contemporary scene, he would do better to ignore Mr Dangerfield's shallow caricature and read instead Professor F. S. L. Lyons's *Ireland Since the Famine*.

Mr Dangerfield must be the most eminent survivor of the "popular" historians, who were notorious by the sparkling new techniques pioneered by Lytton Strachey. In *The Strange Death of Liberal England*, his magisterial book, Mr Dangerfield's "popular" historians as Strachey had the Victorian. It is a work at once brilliant and jejune, stimulating and disorienting, witty and trivial. In attempting to emulate his virtues *The Damnable Question* succeeds only in imitating his vices.

Piers Brendon

## Lightning on the page

The Notebooks of Raymond Chandler  
Edited by Frank MacShane  
(Weidenfeld & Nicolson, £4.50)

The World of Raymond Chandler  
Edited by Miriam Gross  
(Weidenfeld & Nicolson, £5.95)

It is easy to dismiss as barrel-scraping the current plethora of material by and about Raymond Chandler and his work. Indeed, some of the material in both these new books is familiar, but there is enough that is not. All but two of Chandler's notebooks were destroyed by his orders, but the two that survive—used by Frank MacShane in his biography published last year—contain evidence of the professional writer continued to work hard as a writer, who kept jotting down ideas for plots, phrases he'd heard. They were also his commonplace book, so there are extracts from Somerset Maugham, among others, which his page of "similes—including comparisons" is magnificent, and includes: "As noiseless as a finger in a glove. As fast as a lightning bolt. As a mouth like wilted lettuce. His smile was wide, about three-quarters of an inch. A sea sick afterthought."

Mr MacShane adds other Chandler writings, including his complaint about some changes made to an article in the *Atlantic Monthly*. "When I

split an infinitive," he exclaims, "God damn it, I split it so it will split."

The *Notebooks* and with *The World of Raymond Chandler* are a collection of full of Chandlerisms, but reading very much like an outside looking in.

Miriam Gross's collection of essays includes two from her own *Raymond Chandler: The Man and His Work*, an *Introduction to Raymond Chandler*, and a *Raymond Chandler: The Man and His Work*. The *World of Raymond Chandler* is a collection of essays, including a *Raymond Chandler: The Man and His Work*, and a *Raymond Chandler: The Man and His Work*. The *World of Raymond Chandler* is a collection of essays, including a *Raymond Chandler: The Man and His Work*, and a *Raymond Chandler: The Man and His Work*.

Ion Trew

Also just published: a one-volume edition of Chandler's *The Big Sleep* (Weidenfeld & Nicolson, £3.95-£4.00 from January 1, 1978).

Reviews next week include Paul Johnson on The Fontana Dictionary of Modern Thought; edited by Abba Bullock; Oliver Stallybrass; Tim Heald on The Public School Pigeon by Jonathan Gathorne-Hardy.

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## Quick guide

A Marriage of True Minds, by George Spater & Ian Parsons  
(Cape/Hogarth Press, £5.95)

"There is still ignorance enough to justify work such as *A Marriage of True Minds*", writes Quentin Bell in his introduction to this intimate portrait of Leonard and Virginia Woolf. Well, perhaps, but isn't Virginia beginning to run the risk of being over-exposed? So much we know already, mainly through Mr Bell's own admirable work. So much too has been written by the surrounding Bloomsburyites that one begins to tire of Ottoline and Lytton and Dadi and Morgan and Vanessa and Clive and Vita, who were the rest of Bloomsbury so much as Virginia's own, and Maynard who was by much the cleverest of the lot though not really suited to Lydia. The book is full of smudgy old snapshots which are interesting in the way smudgy old snapshots so often are.

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Alexander Baron  
FRANCO IS DYING

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MACMILLAN LONDON







## Great Tom, master of the great English art of moderation

We English pride ourselves on our moderation. Foreigners and fanatics prefer to describe the quality as 'restraint', the stolidity of puddings, or something worse. Whatever you call it, the English liking for the middle of the road for the past three and a half centuries has encouraged better government in Great Britain than has been available elsewhere in the Constitutional. Chaos, incorporated that we call, for short, the earth. We have had no despotism, little repression, no revolution, and not much blood in the streets.

The arch-philosopher-statesman of triumph who exemplified this useful English idiosyncrasy for moderation in his politics as well as his writings, was that Niagara of erudition and common sense of the centre, Thomas Babington Macaulay, Great Tom. The heroes of his *History of England* and essays, William III and George Savile, Marquis of Halifax, were classic trimmers, who protected the sensible middle ground of politics against the doctrinaire zeal of night and left.

Not just his writing, but Macaulay's whole life was devoted to the proposition that history should serve politics by teaching us how to maintain a moderate, constitutional régime, in which liberty and order are preserved, each balanced against the other, and neither promoted to the neglect of the other.

Once the extremists of right or left are allowed to take over, according to Macaulay, the result is a disaster. Liberty is lost to despotism or anarchy. And despotism in turn provokes anarchy; and vice versa. The National Front and the Trotskyite bull-boys are each other's unwitting friends and accomplices. Twisted and twisted, the face of the unacceptable face of British politics.

Charles I tried to govern the men of the seventeenth century as despotically as if they had been men of the sixteenth century; and therefore all his talents and virtues did him no good. The French aristocracy resisted moderate reform in 1783 that they were unable to resist revolution in 1789.

Macaulay's reasonable philosophy of consensus of men of good will at times looks unfashionable. The fanatics and zealots are always trying to come out from their private and similar Caves of Adullam. It is therefore a timely coincidence that Macaulay's first book, which was never published, has just been discovered by Joseph Hamburger a century and a half after it was written by the rising young Macaulay. It was planned as an instant history



of the Revolution in France of 1830, including the immediate background, written in 1830 and 1831. The portion that has been found made an analysis of the Napoleonic regime from the collapse of the Empire to the Hundred Days. In it Macaulay worked out what was to become the ruling idea of his life: that only a moderate society, which allows an optimum coexistence of liberty and order, can preserve us from a perpetual oscillation between anarchy and disorder. The book was never published because of a series of accidents and jealousies. The young Macaulay was diverted into politics, the government, and the history of England. But at some stage somebody pulled proofs of the surviving pages, and preserved the unfinished history before the type was distributed. These pages have been rediscovered after a long and circuitous search. The search ended in the archive of Longmans at the University of Reading. Longmans will now, at last, publish the first book by the master historian of moderation, which is as timely now as when he wrote it.

Here he is on the English revolutionaries:

"No classical allusion, no general theory of politics, affected them so much as their own old and familiar words, Magna Carta, habeas corpus, trial by jury, privilege, parliament. They never took the trouble to enquire whether liberty was the inalienable right of men; they were content to know that it was the lawful birthright of Englishmen. Their social contract was no fiction. It was an extant on the original parchment, sealed with the wax which had been affixed at Runnymede, and attested by the noble names of the Maricalls and Fitzherberts. Thus our ancestors carried into rebellion the feeling of legitimacy; and even in the act of innovating, appealed to ancient prescription."

Philip Howard

● We have been asked to make the following points on the shark fishing article which appeared on July 16. Conrad Voss Bark indicated that my wife and I catch shark on lines of 20lb or perhaps 50lb strength. In fact, we use lines of 15lb breaking strain, and the trout fly rods we use would not even stand that strain in playing the fish. It is probable that we exert no more than 5 to 7lb of pull on the fish.

It is precisely because of the very gentle pull that the shark behave in what, to other fishermen who use heavy tackle, is a most uncharacteristic way, and their acrobatics and indeed acrobatics make the sport so very exciting.

I have been given to understand that over the years, something over 100,000 shark have been taken from the English Channel by boats from the south of Devon and Cornwall. Certainly, sharks have been heavily depleted for whereas at the end of the 1940s we were able to find plenty of shark off Polperro, a bare mile out from the port, today one has to go 12 miles out and fish are scarce even there.

A. D. P. Tallents

## NELLIE deserves better companionship than a radio at 85

She has been blind for several years and is "rather frail". Her great problem is loneliness. Depressing, soul-searing loneliness. Her little radio is her only companion. She rarely meets anyone but tradespeople.

Like so many lonely old people, she has nowhere to go where she can meet others. And like other isolated old people she longs for a friendly Day Centre; where she could find friends and have a low cost meal.

Such Centres (and sheltered centres for light work) are the most urgent need in many British towns. £7 is a real help with equipment. Volunteers are ready to drive minibuses to help the house-bound: £50 buys a hundredth share. We can provide 30 nourishing meals overseas for £6; and in Asia just £3 makes it possible to restore the sight of an eye blinded by cataract.

Perpetuate the name of someone dear to you as you help a Day Centre—£150 inscribes their name on the Dedication Plaque.

Someone like Nellie is waiting for your generous response. So please use the FREEPOST facility and address your gift to: Hon. Treasurer, the Rt. Hon. Lord Maybray-King, Help the Aged, Room T3, FREEPOST 30, London W1E 7JZ (no stamp needed).

\*Please let us know if you would like your gift used for a particular purpose.

When you have been singing for 50 years, it is usually very hard to keep up with your past reputation. For Bing Crosby, it is much more of a question of slight amazement that he can do anything at all—and considerable appreciation when he discovers that he can.

Bing, of course, was never one of those entertainers who went around screaming "I'm the greatest". To a show business world brought up on being able to feel the bricks vibrate in the street, he introduced the nice-and-easy approach that for so long was rather deprecatingly called crooning. True, Rudy Vallee and Russ Colombo possibly did it first, but it was Crosby who made it an internationally-accepted style.

As long ago as 1961, he was forecasting another four to five years for himself as a singer and no more. Five years after that, he was conceding that his voice was going—so unlike Al Jolson, his first inspiration, who he said sang better in his late 60s just before his death than at any other time.

Eight years after that, he thought he was dying from a lung infection and so did almost everyone else. Earlier this year, he had a serious fall that set the obituary writers sharpening pencils. But next week he goes to Preston and then on to Manchester before opening at the London Palladium on September 26.

If an impromptu rendering of "Sometimes I'm Happy" with his wife Kathryn at a reception to launch the tour is anything to go on, he is singing better than he has done for at least 10 years. His latest albums sound a lot more

rhythmic than they did in the '60s.

But I sounded a lot better 30 years ago," he says. "The voice was higher." At that time, he was turning out new records every week, making films with Bob Hope and starring in his own radio show. Hope and he would kid each other about their wealth—usually saying how rich and mean the other guy was.

Today Bing says: "I think Fred MacMurray is the richest man in Hollywood and Bob Hope is second. I'm about tenth—and falling fast."

The blue eyes twinkled and he looks considerably less than his 73 years, although he walks with the suggestion of a stoop and looks much smaller than you would ever have imagined in those Road films. He doesn't kid anyone that he is "falling fast" in any direction at all.

The morning I met him, he had recorded four new numbers for a British label in two hours. "In the old days, we used to record three numbers in four hours. Today, the equipment is so much better and I think the musicians are, too. They are more alert these days." But you can't be in a position to find that our unless you're pretty good a performer, too.

He would like to make more films—"if the right part comes along; one I could handle, and with good people, good actors, good music, I'd always be asked to do cameo roles, you know like Fred Astaire has, but I've not liked the films. They always seem to strike me as a bit dirty."

Bing keeps abreast of modern movies, some of which he says are "too salacious". But he thought Rocky



Network, and Silver Streak actor was a pretty loose description. Actors are people like Olivier, Michael Caine, Redford, Brando... I never did anything like that."

Although he won an Oscar for *Going My Way* and attracted the plaudits of critics for straight parts in *The Country Girl* and *Little Boy Lost*, he won't accept that he has ever been an actor. "I've always played myself in those 70-odd films. Calling me an

would love to play at your National Theatre in Shakespeare," she said. She has recently starred in "Arms and The Man" and other Shaw plays.

Bing is now working on a book—a sort of David Nye-type reminiscence of the "people I've met—people on the golf course, people who are lovable and eccentric". He is at the scribbling-notes stage.

He still plays a lot of golf and his interest in racing extends to having a couple of brood mares of his own. He has no infallible systems to offer—apart from taking advantage of information.

"You can beat a race, but you can't beat racing. I'll catch up on you." Compulsive gamblers must go broke, he believes. Which is just as well he stuck to entertaining.

There are so many talented groups about today and probably a thousand people who are really very, very good. The only thing that stops them from getting anywhere is that they won't diversify enough. I used to do ballads, country, and western songs, operettas. I did recitations and sang with small groups and I sang with the Mormon Tabernacle Choir and all the big bands. You need to vary your repertoire."

His repertoire, he says, would present a great deal of work for a professional archivist. He has rooms full of clippings, every one of his movies, video cassettes of all his television shows and almost all his 5,000 recordings—although he doesn't have as many as his number one fan, a man living on the Isle of Wight.

His work has, of course, spanned the generations. One of the most popular of his

times is with his son Harry, a doer of Irving Berlin's *Play A Simple Melody*. "Twenty-five years ago he was performing it with Gary, his son of his previous marriage. Gary is today a television actor."

Kathryn Crosby has turned upside down the pessimistic forecasts many people made when they married 20 years ago. She is more than 30 years his junior and by all accounts they are extremely happy. As a married nurse, she has been in on his recent illnesses from very close quarters.

As a pianist, he is the very best and the very worst. When things are very bad, he is a saint—and tells me a lot of dirty stories about show business in the old days, which always sound a lot better than discussing lung cancer. When he just has a mild fever, he shouts: "I'll have you disbarred!" She doesn't take him very seriously. She knows how good he can be as a performer.

He has also varied his output. In London, he made a television special for Lew Lipton's company, only to run into last-minute contract problems. Bing's network insists on him working only for them for three months before doing a big show in the States. Special coming up in just three months. But it was sorted out. "Lord Grade can move mountains," he said.

Of course, Bing Crosby can do a bit. In 1957, due to a bad cold, he was that American writer put it at the time of a New York show: "It's your life passing before your eyes."

Michael Freedland

90 today, the pioneer doctor who taught women about themselves

## How Helena Wright overcame being born too rich

Dr Helena Wright, a doctor before the First World War, a pioneer of the birth control movement, teacher, writer, is 90 today. Her life has contained many backgrounds, and several careers. "My sister and I had the great misfortune to be rich children. We were very, very bored—and our parents' usual idea was governess after governess, though when Madame Froebel came to London and started her first school we were two of her first pupils. I remember we enjoyed it—large, extremely light room with large windows and all the furniture small, and the things we were given to do were all active. Then we went to school in Queen's Gate. I can't remember anything about that at all."

"My father was Polish, a financial genius who was always changing his job—as soon as one succeeded he got bored, sold out and started another. Among other things he built the Apollo Theatre. Walking up Rupert Street he had noticed a boarded up site in Shaftesbury Avenue—an oddly shaped site that no one could do anything with. "So my father built a pub, a theatre and a shop on the site, and the theatre opened in 1901. He managed it himself, but that's another story."

She went, in 1902, to the Ladies' College, Cheltenham, about the time that her parents were divorcing, during the last 18 months of Miss Beale's reign. "I was very happy there, caused no trouble at all. Miss Beale was a genius—had no rules, with 1,000 girls, no rules at all except one—no talking in the corridors. There was a lot of proper behaviour going to be a book starts to curl up early. And how was the book curling up? In a very surprising way. At the age of 12 I had to lead."

"After a year or so my mother came to Cheltenham and bought a house, and we lived as day girls for the next five years."

"In 1904 my mother was reading the paper and said: 'Would you like to go to the Louvre to see the World Exhibition?' We were used to her passion for travelling but it meant missing some weeks of

the summer term and some of the autumn term." The scale was grand—they planned to go right across America, visit Vancouver, and return across Canada. Miss Beale, when asked for permission, said to Dr Wright's mother: "Sensible woman you are! They'll learn much more in America than they would in two terms here."

"In 1904 you could go out to Quebec on the Cunarder for £13 single fare and come back to Liverpool for another £13. So they travelled by train, stage coach, on mules down to the Grand Canyon—she remembers dipping a handkerchief in the river at the bottom of the Canyon for her mother and finding it dry immediately. Seattle, Vancouver, right across the Rockies in the observation car, giving ideas to a man whose job it was to name the mountains having been through the Bible and the canyons of England had run out of ideas. That couldn't happen now!"

"Well, Ellie, what are you going to do? came the question. As I, without the slightest hesitation, said, I am going to be a doctor. I don't know why, but if there is anything in a vocation which is

somehow conveyed to the person, there was the perfect example. The family didn't take it seriously. My father thought it absurd. Why didn't I marry a rich banker? I thought it a horrible fate."

"At medical school we were 13 oddities. You had to be pretty odd." She studied the dean of the School, the best woman surgeon of her time, Miss Aldrich Blake, and said to herself: "I am going to be a friend of hers"—and she was. She was a marvellous teacher, who lived for surgery, and invented an operation, which is called after her."

To Dr Wright—then still Ellie Lowenfeld—the war came unexpectedly. Her father was interned in Poland and completely cut off from the family. "After a time there was a telegram from Austria which said: 'Take charge of all my businesses'. First I had to find out what they were! The theatre was one of the things I had to look after. But that's another story."

She worked at the children's Hospital in Great Ormond Street, where she was the only woman house surgeon they had ever had. She was assistant to a famous surgeon of his time, Sir Arbuthnot Jones. It was a

close and happy working relationship, broken only once, when, asked to take under her wing a friend who had had a bad time in the war she discovered the only free day he had was one of Sir Arbuthnot's operating days. "I won't be here tomorrow," she said, explaining why. "Go and do your best for him," was the reply.

Though pacifist, she felt, she must work in a military hospital—all filled with the wounded who came off the battlefield. There was absolutely nothing attractive to me about marriage—my parents' divorce and other family history had persuaded me that I would not get married. They said they would think about it for six months, and nothing came of it. After six months she explained her feelings, that she didn't want to be caged by marriage, she wanted to be free. He understood. "I said, if we got married, where are we going to live, what's going to be the scenery—what are you going to do with your life?" The answer, he gave, astonished her. "I'm going to be a medic, and live in China," he said. And so was I. I had given a pledge in 1910 to the Student Christian Move-

ment to become a medical missionary. And it was now 1916. And we had married for 56 years, and had four sons."

China is another story, and so is the work she did when she returned, for the National Birth Control Association. From her practice as a doctor from 1920 until 1949, she has the records of some 20,579 patients, and was horrified at their ignorance and lack of knowledge of the ways their own bodies worked. Once she wrote a booklet simply called *Birth Control* and it was an enormous success. "I sat down at 5.30 in the afternoon, and by 8.30 the following morning it was finished." She thinks she invented teaching about birth control in medical schools. Her most recent book (*Sex and Society: a new code of sexual behaviour*, Allen & Unwin, 1968) is the result of years of teaching and thinking. "Our society was in such a mess, and inventing methods for the control of fertility wasn't enough. I thought that I had got to write a more book and try to put into words what was needed. I took four years to write that book. In any case, I think I have done my duty."

And all the other stories? Will she not write them down, too, of a life richly and rewarding given to others? "There is the story of three eccentricities—my father, my sister and myself—but at my age I can't begin to write it. So I talk it in tapes. I've got to 1957. The tapes belong to us as a family—and there it will be, a complete record of the extraordinary lives of all three of us."

Now she lives in a ground floor flat. Instead of the big house she has always loved. ("I try to think of it as a yacht.") She says that, having had enough money, she has had no competitive spirit. Nor, it would seem, any fear—of a national medical men (replying, as a student in an examination, "I think that's a silly question"), of new worlds, of challenges both physical and mental. She has come to fill that long empty position in our society—the wise woman of the tribe. And there is a sharp, bright, shining hook there, too.

Philippa Toomey

George Hutchinson

## Talk about the closed shop will not hurt the Tories

If Mrs Thatcher believed, while she was still in Washington, that there is no discussion over the closed shop within her Shadow Cabinet, she has probably discovered the reality since her return to London. Differences do exist. Sir Keith Joseph and Mr James Prior have made them apparent in public. There is private evidence as well.

No harm need come of this. It is a good thing rather than a bad thing that the issue—the principle—should be debated within the Conservative Party from top to bottom. Free discussion is to be welcomed, not regretted—much less throttled. If the Tories are not the pre-eminent party of personal liberty they are nothing, and have lost their *raison d'être*.

Let the argument continue until it is resolved by honest, open and rational discussion.

□ Strolling in Kensington Gardens the other sunlit evening, we reflected—my wife and I—that for the moment we belonged to a very, very small minority: most of the people around us were overseas visitors. They seemed to be enjoying their good fortune.

How many of them had come from countries with public parks like our own? The answer was none. Nowhere in the world can you find parks of the quality, scale and number that we know all over the British Isles. There are an incomparable part of our heritage, and say something for the national character. What is more, they are often to be counted among the mainstays of the private philanthropy of earlier generations, not least in Victorian times—now so frequently derided.

The political climate in which we are living, with all the attendant attacks on the

possession of personal wealth, is such to discourage similar acts of generosity in the future. If Labour were to remain in office after the next election the onslaught would be intensified, with the introduction of a wealth tax. In that event we could say goodbye to many benefactions that would otherwise come the way of our art galleries, museums and other public institutions.

A government that deliberately sets out to extinguish the rich by confiscatory taxation will ultimately impoverish everyone—as we can see from the nearest glance at conditions in Eastern Europe.

□ John Ormiston is a wire maker in Ealing. The Ormiston family have been drawing wire in London since the years of the French Revolution. Nowadays, the firm—of which he is chairman—is somewhat specialized, manufacturing surgical

wires (a delicate trade, as you might imagine) and wires for yacht rigging, using all sorts of metals.

But Mr Ormiston is more than the head of a happy and successful family business in England. He is also the president of a European organization centred in Brussels which represents the interests of smaller or medium-sized businesses in all the countries of the EEC. As such he is of considerable consequence to their future, in the age of the vast corporation and swollen combine.

Mr Ormiston is a committed "European"—but a sensible one. He is not sold on sheer size, and the more unthinking of their political patrons. As a co-founder of the Union of Independent Companies he understands the value of the smaller business—which has an important social as well as

commercial role in any balanced community.

The UIC, established in July with Mr William Pooton as chairman, has a rather interesting structure based on parliamentary constituencies, so that members are expected to promote the cause—and to promote it vigorously—in their own immediate neighbourhoods.

Mr Ormiston is meanwhile preparing for London's first European conference, to be held in November. To my mind, his endeavours in the field deserve every support from all who believe in the individual initiative which is the hallmark of the smaller private business at its best.

□ Lord Glenamara, the former Mr Edward Sharpe, is no longer the doctrinaire socialist of yesterday, or so it appears. Since becoming chairman of Cable and Wireless, he has

been quick to learn that business acumen deserves appropriate financial rewards. Hence the nominal promotion of three of his directors, two of whom will not benefit immediately but expect an early improvement in their fortunes if Lord Glenamara has his way.

There is no sensible objection to Lord Glenamara's desire to pay his directors more: they are conducting a successful business, though criticized. What is interesting is his ready acceptance of "capitalist" standards—or his conversion to them—now that he has abandoned his position in the public sector. And there is a sharp, bright, shining hook there, too.

As he notes of his director, with evident approval: "They could command very much higher salaries in the private sector."

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## Racing

**By Michael Phillips**  
**Editor, Command**

**Kilbroney leads The Dealer over the last fence in the Embassy Steeplechase.**

**By Michael Phillips**

**-tains : Valued at £2,200,000 ; more than Mill Reef and the European record.**

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em: good. Ladlow: good to firm.  
 Tomorrows: Newmarket: good to firm  
 (watered), Haydock Park soft. Sandown  
 Park: good to firm.

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 44 points from the eight race sponsored series.

eight consecutive victories; Reed  
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## Fashion

Prudence Glynn



Photographs by Brian Harris

## Riding the new wave with punk chic

“A vacuum is never filled by moderation; it is always filled by violence.” It is a theory which might be used to explain the fashion for punk. Punk, by its implicit inferiority, can be seen to be a violent reaction to a certain staidness, or should it be tameness, of silhouette in recent seasons. Mass-market fashion just now is pretty, soft, feminine and flattering, just the sort of thing you might expect in an economic recession when jobs for the boys are hard enough to come by, without competition from equalised women. True there is a strong tailored section, all those buckling jackets and judo-pants, but then if you think about it, that is just as submissive really, since being styles taken without more than a passing adaptation (well, no British man would stand for the level of make-up of most of the jockers; they imply that when the pennies are squeaking, the best girls revert to horse transport and make do with their man's clothes. With all this femininity going on, there was bound I suppose to be another side to dress. After all, these

days every woman demands the right to look her own individual way, no matter what the general trend. Hence one could deduce, the spread of punk, initially a statement in clothes as radical as wearing blue denims in the Ritz was all those years ago. If anything was needed to underline the fact that Britain now leads France in design ideas, it was the pictures of the hideous punk clothes shown during Peter a Porter week in Paris. Navy, brutish and short, they were an indication of that interesting difference in character between the nations, for in England we have managed, once again, to swallow an uncomfortable, even alarming, manifestation into the body politic, fashionable, as the case may be. Zandra Rhodes, no less, has done a punk collection which incorporates the zest, the throw-away ragged look and the vivid colours and interestingly placed holes of the original movement gear with the same sort of chic and originality that St Laurent brought to denim.

Another designer who has added a quality of elegance and design to punk

is Colin Swift, an 18-year-old from Portsmouth who did a foundation year at that city's polytechnic and then was turned down by St Martins in London. He has sold to Howie, and to various boutiques and has a fairly sceptical, and, as I happen to know, accurate view of what happens to a lot of young designers with bright ideas when they try to get into regular work. No pay, you are expected to be on the dole—no National Insurance, leave your portfolio, and find your best ideas have been knocked off.

The answer that an increasing number of ambitious young designers are coming to is to set up on their own. This is a big, risky business as well, but many of them feel that at least the hazards are of their own making. Colin Swift has gone into partnership with Alan Macdonald, a student in the furniture department at Kingston Polytechnic, and Tony Warnants. Capital? £50.

In top picture, reading left to right are Alan, wearing dark, narrow jeans and a yellow hand knitted sweater with sleeves to wear on your arms or

as a scarf, by Colin Swift, Colin, in aged evening trousers, well braced up at that city's polytechnic and then was turned down by St Martins in London. He has sold to Howie, and to various boutiques and has a fairly sceptical, and, as I happen to know, accurate view of what happens to a lot of young designers with bright ideas when they try to get into regular work. No pay, you are expected to be on the dole—no National Insurance, leave your portfolio, and find your best ideas have been knocked off.

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Law Report October 26 1977

House of Lords

## When Mareva injunctions should not be used

The Siskina

Before Lord Diplock, Lord Hailsham of St Marylebone, Lord Simon of Glaisdale, Lord Russell of Killowen and Lord Keith of Kinkaid.

English courts are not entitled to grant an interlocutory injunction in order to freeze in personam the assets of a defendant not resident here, at the instance of plaintiffs who have no cause of action or legal or equitable rights justiciable or enforceable by an English court.

The House of Lords so held, in considering the first time the recently introduced “Mareva” injunction, the limits of the court's powers under the Rules of the Supreme Court permitting service of process outside the jurisdiction, and the propriety of courts acting outside the rules and of attempting to harmonize the law of member states of the European Community.

Their Lordships allowed an interlocutory appeal by Greek shipowners from the majority of the Court of Appeal (the Master of the Rolls and Lord Justice Lawton, Lord Justice Bridge dissenting) (The Times, June 23 sub nom *Toraham Shamker Co v Distas Compania Naviera SA* [1977] 3 W.L.R. 523), which had allowed an appeal by Saudi Arabian cargo owners from Mr Justice Kerr and granted them an interlocutory injunction to restrain the shipowners from disposing of the insurance proceeds for the loss of their one ship, the *Siskina*, pending the outcome of the proceedings, by their brokers in London.

Mr Anthony Lloyd, QC, and Mr P. N. Leigh-Jones for the shipowners; Mr Anthony Evans, QC, and Mr Bernard Rix for the cargo owners.

LORD DIPLOCK said the dispute between the shipowners and the cargo owners which the cargo owners wanted to litigate in the action brought in the High Court in England had no connection with this country. The shipowners were a Panamanian company whose management was in Greece. At no time did it have an office or assets in England. Its only asset was the *Siskina*, on the Panamanian registry, which sank on June 2, 1976, and became a total loss. The cargo owners owned the cargo laden on North Italy to Saudi Arabia, and the cargo was under charter to the shipowners, continuing a clause conferring exclusive jurisdiction on the courts in Greece. The *Siskina* was under charter to an Italian company managed in Greece.

During the voyage disputes arose between the shipowners and the cargo owners about the payment of charter hire, and the shipowners became unwilling to incur the costs of passing through the Suez Canal. The *Siskina* eventually sailed for Cyprus and discharged her cargo at Limassol. The shipowners claimed a lien over the freight, a claim currently the subject of litigation in Cyprus.

The *Siskina* was insured at Lord's, and when she became a total loss the shipowners became entitled to claim some £700,000 insurance money. The money was payable in England to the shipowners' brokers, by whom it was now held. When the instant proceedings were started on July 2, 1976, the shipowners' claim had not yet been accepted by the underwriters.

The first step in the proceedings was an ex parte application to the Commercial Court in London (a) for leave to issue a writ against the shipowners and serve notice of it out of the jurisdiction at their office in Piraeus; and (b) for an immediate interim injunction to restrain the shipowners from disposing of their assets within the jurisdiction of the High Court, including, in particular, the insurance money. The claims enforced on the writ were sought to be in respect of the cargo diverted to and detained at Limassol and were for (1) damages for breach of duty and/or contract; (2) an injunction to restrain the defendants from disposing of their assets within the jurisdiction of the High Court.

The purposes of such an interlocutory injunction against a foreign defendant were to ensure that there would be a fund available within the jurisdiction to meet any judgment and payment of any damages that might be awarded to them by such judgment.

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jurisdiction in the High Court because it was justiciable it would give rise to an ancillary right to a Mareva injunction in order to prevent the defendant from dissipating his assets. His Lordship considered cases relied on for the cargo owners as showing that the plaintiff's jurisdiction to grant leave for service out of the jurisdiction under subrule (1).

Finally his Lordship dealt with those policy considerations which led the Master of the Rolls to conclude that even if the Rules of Court did not now provide for it, the judges ought to be bold enough to exercise the jurisdiction to authorize service of its process on persons out of the jurisdiction in order to enable it to adjudicate on the merits in actions of any kind which a plaintiff wished to bring against a foreign defendant so long as the defendant had some assets belonging to him in England; or, failing that, to enable the High Court to attach those assets so that they might be kept available to satisfy some future judgment of a foreign court having jurisdiction to adjudicate on the merits of the dispute between the plaintiff and the foreign defendant.

It was suggested that the policy considerations leading to that conclusion were matters of comity and, in particular, from membership of the European Communities and our obligation under the Treaty of Rome to harmonize the laws of member states to the extent required for the proper functioning of the common market.

The machinery for harmonizing the laws of member states in Article 100 of the Treaty was done by directives issued by a unanimous decision of the Council of the Communities on a proposal from the Commission after consultation with the European Parliament and the Economic and Social Committee. There was no encouragement there for judges of national courts of member states to jump the gun by introducing their own notions of what would be a suitable harmonization of laws concerning their jurisdiction and of courts of the other member states.

Comity, therefore, in so far as the Common Market treaties could be relied on as any guide, would seem to be against using a Mareva injunction as a procedural device which to found jurisdiction in the English courts to adjudicate on the merits in actions against foreign defendants not ordinarily resident in England but possessed of some assets here.

There might be merits in the Master of the Rolls' proposals for extending the jurisdiction of the High Court over foreign defendants; but they would require at least subordinate legislation by the Rules Committee, if not primary legislation by Parliament itself. It was not for the Court of Appeal or for their Lordships to exercise those legislative functions, however tempting that might be.

The appeal should be allowed and the judgment of Mr Justice Kerr set aside the writ and all subsequent proceedings, reversed.

LORD HAILSHAM, concurring, said so far as Mareva injunctions appeared to have been confined to the commercial list and perhaps entirely to shipping cases, his Lordship had no objection to being disposed to think that, in this new and creative line of authority, the right to an injunction against a foreign defendant should be extended further to protect the interests of the cargo owners in favour of whom one must assume that they possessed all the merits; but his Lordship had been persuaded by the argument by Lord Diplock that the appeal must be allowed.

Sooner or later the courts or the legislature would have to choose between two alternatives. Either the position of a plaintiff claiming against an English based defendant would be altered or the principle of the Mareva cases would have to be modified.

His Lordship would comment on the argument of the Master of the Rolls, fortified by the authority of a quotation from *Harris Ancient and Modern*, that the judges did not need to wait for the authority of the Rules Committee in order to sanction a change in practice. He said that the jurisdiction of the courts in matters of this kind, the Committee's jurisdiction was statutory, and it was not for the judges to alter or on appeal to pre-empt its functions was for the court to usurp the legislature's function.

Further, the committee was a fact-finding body, not a court, and charging the function that a panel of three judges, however eminent, deciding an individual case after hearing argument from both sides, representing the interests of opposing litigants, however ably, as to the arguments based on comity or on harmonization, was one which was well beyond the scope for judicial inventiveness and discretion in individual cases.

The Court said that the decision of particular disputes according to the law as it existed at the relevant time. Matters of policy were often better left to the appropriate authorities entrusted with that task.

Lord Simon, Lord Russell and Lord Keith agreed with the speeches delivered.

Solicitors: Holman, Fenwick & Willan; Sinclair, Roche & Temperley.

Chancery Division

Composer's royalties frozen

In re John Barry Enterprises Ltd

Mr Justice Templeman adopted a form of procedure which his Lordship described as little understood when he made a declaration of charging order in respect of approximately £300,000 of royalties due to Mr John Barry Prendergast and paid to the Performing Rights Society. This was in addition to granting an injunction restraining the society from disposing of or otherwise dealing with any moneys payable to or by the order of or for the benefit or account of Mr Prendergast, the composer of James Bond music.

Before making the declaration, his Lordship had made three declarations on the application of the official receiver, regarding misfeasance, with orders for payment, and had granted the injunction.

HIS LORDSHIP said that the further declaration should be sufficient to freeze the royalties held by the Performing Rights Society and Mr Prendergast, who

was now in the United States, would have to take proceedings in England to recover any money owing to him after his creditors had been paid in full.

Mr Prendergast's company, John Barry Enterprises Ltd, was formed in 1955 and had done so well that in 1968 it showed a pre-tax profit of £52,000. Mr Prendergast then formed a new company, Music Promotions Ltd, and the English company advanced to it £226,000. The stock of the Guernsey company was acquired by a Cayman Islands company, which in turn was acquired by a Delaware company. When the Guernsey company was dissolved in 1972 the £226,000 was paid over by Mr Prendergast as a bad debt.

He had made an offer to the official receiver to make over the Guernsey company's liabilities to John Barry Enterprises, but subsequently he decamped to the United States, where he was evading service and maintaining an unbroken silence.

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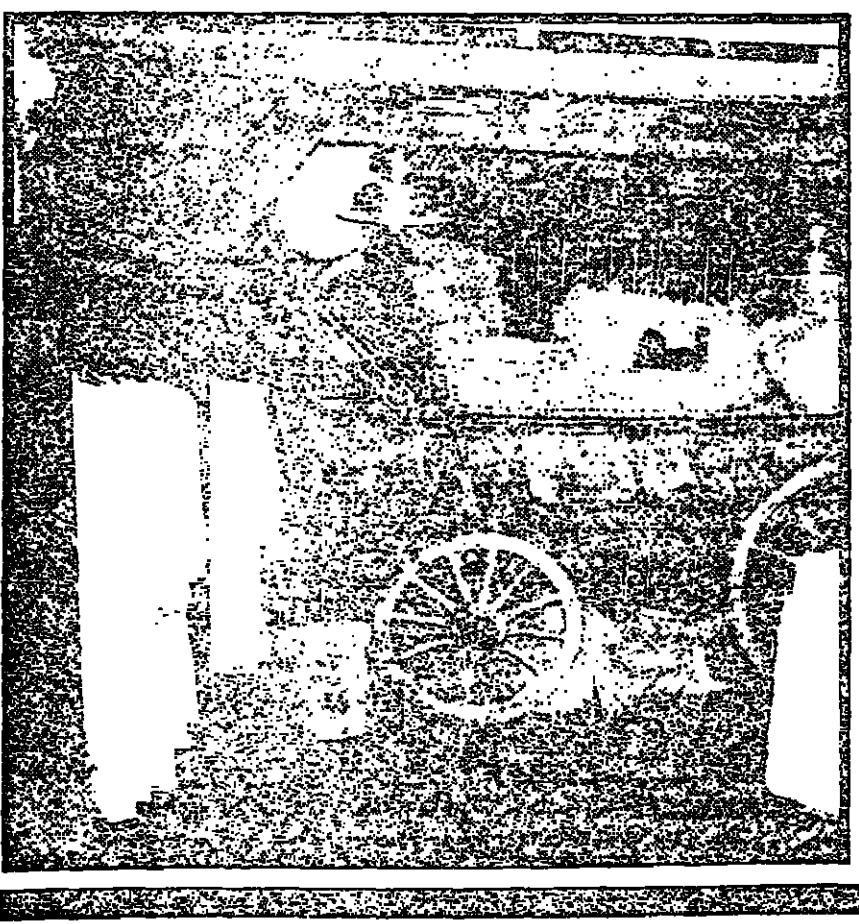
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## Shopper's show

I am not sure that a journalist, or at any rate this journalist, ought to be asked to judge stands at a massive fashion exhibition. True, I have round fairs from Moscow to Istanbul via Cairo and New York to name but a few, but I always have a nervous suspicion that my criteria may not be quite those of the professional buyer. Do they, I ask myself, care if the stand is convenient for the loo, or offers a reviving draught, or somewhere to ease the rashly-furnished feet? And then, I am hopelessly liable to be seduced by sympathetic decor, and even by the behaviour of the salespersons.

My diffidence in selecting the best stand at Olympia on Tuesday, the opening day of British Fashion Week, was tempered by having at my right hand Martin Moss, President of the May Group of Stores. We looked, he straight back from Paris, at 184 stands which varied from a Paint Your Wagon complete with stuffed livestock and bags of corn, all duly treated to repel the fires of the GLC quite properly feel may at any time break out in such a gathering and engulf us, through a forest of bamboo (this year's bow to the Asian Invasion) to an amazing glitter and the sort of style which sells every sort of frock, to really slick, professional formats, to small, intimate boutiques.

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Mr Moss and I looked for professionalism—after all this is a shoppers' show—imagination which fitted in with the sort of clothes on offer, an inviting appearance and, whimsy being in, we looked for a touch of it. Mr Moss had also alerted me to the new threat of the Paris “pret” which features new carpets, new bars, a livelier atmosphere and a less Gallic freeze towards the buyers in general and the British in particular.

Armed with all this (much conflicting) information I set off at 9 am and returned panting to the office at 10.30 I was (a) delighted by the overall standard of the exhibition (b) delighted by the efforts made by Olympia to make the place look fashionable (c) dazed by the need to pick out one stand. In the end we settled for Simon Jeffrey, a competent, comfortable, pretty display. Seduced, as I said, I would be, by sympathetic ambience. I fell heavily for the You and Me stand which featured stuffed hens as mentioned above, but also much liked Inega, David Rome, Ghedini, Strawberry Studio, Jinty and Emanuele. Yesterday saw the opening of the CEC manifestation in Birmingham, today its turn the London Collections at Hotel Intercontinental, The Royal Aeronautical Society and Les Ambassadeurs and the London Designer Collections (please do not get confused) at the Inn on the Park. Good luck to them all.



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## The changing pattern of children in care

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## THE UNANSWERED QUESTIONS

Mr Healey's statement yesterday was brief and contained few surprises. The scope of the measures announced was limited. Indeed there remains a question whether the mini-budget was necessary at all, given what finally emerged. It is certainly unclear why the announcement of such a package was advanced at the last moment, as seems to have been the case. Despite assertions to the contrary, the impression remains that the main advantage to the Chancellor and the Government of making this statement at this time was to keep the political initiative, rather than for any purpose of managing the economy.

So long as monetary policy is not relaxed, however, this mini-budget could be said to move gradually in the right direction in several areas. As an earnest of more to come in the spring and in future these developments should be welcomed.

The acceptance of the principle that tax thresholds should be indexed for inflation and the consequent relief promised in a second Finance Bill this year are such an example. So, too, is the indication that the Government accepts the force of the argument that the starting points for tax must progressively be raised above the level of social security payments, if the "poverty trap" and all its attendant social evils are to be tackled. The real concessions

that have been made to encourage smaller businesses and the indication that more is to follow are equally welcome. The urgency with which this problem is being considered by the Government is something for which the Liberal Party in Parliament can legitimately claim some credit. The promise of extra aid to the construction industry next year, though small in scope, is also a sensible reaction to the problems of that sector.

Since, however, the Chancellor chose to make such a short economic statement, without so much of the usual economic analysis that normally goes with budget statements, many of the key policy questions remain as vague as before. The major gap concerns future Government policy for exchange controls and for the pound. It had been widely supposed that the Chancellor would firmly grasp the political nettle of exchange controls yesterday. In the event he merely tinkered with a few of the technicalities. He ought, for example, to have had the courage to abolish the 25 per cent dividend rule for investment in the United Kingdom, a rule which has been a major cause of the weakness of the pound. The problem, if it can be called that, now arises not from the weakness but from the strength of the pound. The surrender rule has, therefore, lost its practical justification. But the Chancellor chose to leave it.

Saying nothing about the pound does nothing to reduce the difficulty of the policy choice which still faces the Government in relation to it. So long as there is such strong upward market pressure on the pound, that choice resolves itself into three options. The Government can keep selling pounds to hold the rate steady, thus creating for itself real and increasing problems in keeping domestic monetary policy under any sort of control. Or it can allow the pound's exchange rate to rise. Or it can ease exchange controls in order to allow and encourage compensating outflow of sterling into real assets abroad. The right solution is probably to combine some substantial relaxation of exchange controls with some revaluation of the pound. By apparently ruling out any such substantial relaxation of exchange controls, the Government seems voluntarily to have closed one at least of its options. The extension of this problem to remain equally inexplicit about his monetary policy for the coming financial year. He spoke in generalities about his measures being consistent with the goal of "7-8-78". As a form of words this is satisfactory. And it is quite understandable that the Chancellor is not yet in a position to set quantitative guidelines for 1978-79. It will all depend, however, on how those words are translated into practice.

## YOU GO IN ALIVE; YOU COME OUT DEAD

The post mortem report on Steve Biko seems to confirm the most pessimistic assumption about his death. The kind of injuries described (coupled with the finding that some of them were imposed over a week-long period) can scarcely be ascribed to any cause other than vicious assault at the hands of those in whose custody he remained between his arrest and his death. Normally, under South African law, any unexplained, suspicious or violent death is the subject of an inquest. The Attorney General of the Transvaal, to whom the post-mortem report was submitted, had announced that if criminal prosecutions are undertaken in connection with Biko's death, an inquest will not be held. That naturally led to anxiety that an inquest would not be held, but would be superseded by what might prove to be little more than a dummy prosecution. Now it has been announced that there will in fact be an inquest, so that fear has been dispelled.

The function of the inquest is to find out exactly how the death was caused. Witnesses will give evidence and can be cross-examined. Most importantly, the

family of the deceased can be represented by lawyers. They would be able to call their own witnesses—though at least one possible witness, Mr Donald Woods, is now subject to a banning order—and test the version given in evidence by the police. The pathologists' report will also be in evidence and questions can be asked about it. There is good reason to think that the pathologists are highly qualified, and that their report can be relied on, both for its technical quality and integrity.

In the last eighteen months there have been 21 cases, including that of Mr Biko, in which prisoners in South Africa have died in extremely suspicious circumstances. In each case there has been cover stories put out. The cover story in the Biko case, though put out with the authority of the Minister of Justice, Mr James Kruger, himself, has now been disproved by the pathologists' report.

We are therefore only dealing with the serious suspicion of murder by a person or persons unknown, though in official position, but with suspicion of a pattern of

deliberate murder, concealed by deliberate deception. The South African Government is in many ways a government of unjust, dictatorial leading its people to disaster. But in spite of this evidence we do not believe that it is a government which accepts murder: we believe rather that it conceals murders committed by its servants out of a mixture of misplaced loyalty and an almost criminal defiance of world opinion. A world opinion which disapproves of murder cannot be described as extreme.

The inquest will be a real opportunity to investigate the circumstances of Mr Biko's death and to identify those responsible. It should be pressed with the utmost vigour and given full publicity, particularly inside South Africa. The South African Government should then proceed to prosecute those against whom there is a prima facie case. They should also reflect that it is the wrongheaded law which prohibits newspaper investigation of prison conditions which has given the murderers their best immunity. Laws designed to protect the state from criticism have brought the South African Government into worse disrepute.

## Coeducation at Cambridge

From the Master of Fitzwilliam College and the Master of St Catharine's.

Sir, It is curious that what Oxford University does is news, whereas what Cambridge does is not. Since you have given considerable space to Oxford's belated but massive dash towards coeducation, would you allow us the courtesy of your columns to record the situation in Cambridge?

Six undergraduate colleges (Churchill, Clare, King's, Selwyn, Sidney Sussex and Trinity Hall) and three graduate colleges (Clare Hall, Darwin and Wolfson) are already mixed. Trinity will become mixed for undergraduates in 1979, already admits women graduate students as well as men. Five more colleges (Christ's, Emmanuel, Fitzwilliam, Jesus and St Catharine's) will admit women undergraduates as well as men from 1979 onwards, and they will all admit women graduate students by 1979 at latest. Girton, now a women's college, will also become mixed in 1979. In addition Robinson College, which expects to admit undergraduates for the first time in 1979, will be mixed college from the start.

The result of this will be that from 1979 two thirds of the undergraduate places in the University will be for mixed colleges, and therefore open to men and women without discrimination.

Yours sincerely,  
DAVID MILLER,  
Master of Fitzwilliam.  
SWINERTON-DYER,  
Master of St Catharine's.  
Cambridge.  
October 24.

## International terrorism

From Mr Richard Gott and others.

Sir, As the *Guardian* and others have been specialising in Latin American terrorism for the past decade, we wish to present a contrasting totally different and unambiguously Latin American angle to the lengthy "clean international terrorism in Latin America" in *The Times*.

Anyone who knows the politics of the "southern cone" countries can confirm that the Junta Coordinadora Revolucionaria (JCR) is a "Latin American" organisation at least three times as large as the *Paraguayan* and the *Argentine* "have" and the *Uruguayan* "have" have been carried out an armed version since the Argentine ERP took Monte Chingolo barracks in Buenos Aires in December 1975. A man in possession came from the JCR, which only functioned as a guerrilla force in the 1960s after the overthrow of the *Argentine* Government by General Bordaberry and his fellow generals. The JCR now only exists in the mind of a few scattered exile

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## Settling differentials in pay awards

From Professor Elliott Jaques.

Sir, Your excellent survey of current pay agreements (*The Times*, October 24) rightly calls attention to the fact that many workers are negotiating so-called self-financing productivity agreements of 7 per cent or more, in addition to the 10 per cent "norm" of increases. This process is unlikely to help productivity, and will add to the growing bitterness in the country over differentials.

The only people who can benefit from productivity deals are those who produce physical products. And even there the greatest rewards are reaped by those who have restrictive practices or restrictive attitudes to sell, or whose work just happens to lend itself to new methods or new investment, or reorganisation. Those other manual workers who are not in this position along with the teachers, nurses, scientists and technologists, office workers, public and social service employees, and everyone who is doing a fair day's work without restrictive practices, are left standing.

True productivity increases come about through new investment and new methods. Such increases should not be the excuse for a differential pay increase favouring the few productivity winners over the new methods. They should be used to gain greater job security for those involved, and higher profitability and consequential investment in the creation of new jobs.

The Government must be aware, from the experience of productivity bargaining in Britain in the period 1965 to 1969, that the phase III policy will have the same disastrous effect of worsening the terms of pay differentials in the nation. One can only assume that the Government included productivity bargaining as part of the phase III policy as the only politically realistic alternative to a state of uncontrolled and highly inflationary pay increases. It would have been an act of statesmanship, however, if Mr Callaghan had made it clear to everyone that this choice was not a good policy but only the lesser

of two evils; that the consequence would be an increase in the feelings of injustice over differentials. It is not too late for him to make it clear now.

Moreover, it is a matter of the greatest urgency that the Government should begin immediately to plan a positive policy for next year that would at last grip hold of the differential problem and deal with it on a long-term basis. Central to such a policy is the need to establish genuinely collective bargaining at two levels.

First, responsibility needs to be put into the hands of the TUC for determining the differential distribution as between its major negotiating groups of whatever overall percentage increase the economy will bear in the current season, to implement the Killy principle and the synchro process. Second, this same process must be applied, within the nationally determined guidelines, to in-plant bargaining, so that the representatives within each firm can take collective responsibility for setting the differential pattern for their members within the firm.

This collective process puts the power to settle differentials where it belongs: in the hands of the representatives of the employees who must accept the outcome. What an enormously strengthened position the country would now be in, for example, if the coal-face workers could have been offered the differentially higher price in the pecking order to which most would agree they are entitled, instead of the offer to buy them off with a productivity deal. Mr Heath has shown such an opportunity by the TUC in 1974. He failed to seize it and was beaten down. The big question for Britain is whether the Government can rise to the occasion now.

Yours faithfully,  
ELLIOTT JAQUES,  
Institute of Organization and Social Studies,  
Kingston Lane,  
Uxbridge,  
Middlesex.

## Conditions in Zambia

From the High Commissioner for Zambia.

Sir, I wish to comment on your article published in today's edition (October 11) in which your Lusaka correspondent makes misleading generalisations about the current situation in relation to Rhodesia.

Your correspondent, Mr Nicholas Ashford, has misunderstood the true facts concerning the recent curfew and black-out imposed on four Zambian towns. The situation between Zambia and Rhodesia has been tense for a long time, culminating recently in Smith's use of napalm bombs on a border town, Feira, in which three Zambian soldiers were killed and three civilians were wounded. Apart from these acts of aggression, there have been several attacks on Zambia, including the use of landmines.

You will recall that in May this year Smith threatened to attack Zambia. No-one doubted the seriousness of his threat. It will further be recalled that the Zambian Government intelligence information that Smith intended to attack Zambia was proved to be correct when Smith's forces used napalm bombs on Zambia. It is against this background that President Kaunda had to take defensive measures to deal with the situation. These included putting people and the army on alert, and placing a curfew on towns most vulnerable to Smith's wanton aggression.

The recent meeting in Lusaka between President Kaunda and Smith does not make the situation between the two countries less tense. President Kaunda accepted Smith to see him in Lusaka on the understanding that such a meeting might lead towards a solution in Zimbabwe. The meeting was in keeping with Dr Kaunda's statesmanship, because even in the present war situation the Zambian Government does not close its doors to its adversaries.

## 'Wogs'

From Mr Roderick Prince.

Sir, Mr Bernard Lev appears to regard the recording and publication of Sir Richard Dobson's remarks as more offensive than the remarks themselves. For one who moralises so heavily, this is an interesting light on the nature of his morality. But let us also see that whereas he manages to maintain a cool and reasoned tone in discussing Sir Richard, when it comes to Mr Tariq Ali and Mr Peter Cooper he resorts to vulgar abuse, which must look quite embarrassing to him now that it has appeared in print. What mysterious power do Mr Ali and Mr Cooper possess, to have so badly rattled your star columnist?

Yours faithfully,  
RODERICK PRINCE,  
149 Clapham Road, SW9.  
October 25.

## From Dr G. E. Diggle

Sir, Your readers may care to know the etymology of "wogs". The term was first used to denote those Workers On Government Service engaged in the construction of the Suez Canal. My 700,000 colleagues and I in the Civil Service are, of course, wogs.

Yours faithfully,  
GEORGE DIGGLE,  
48 West Hill,  
Upper Norwood,  
SE19.  
October 25.

## From Mr A. A. Whiteley

Sir, Reference to Air Commodore Palmer, *The Times*, Tuesday, October 25.

"Wogs" in the Near and Middle East called us "Gibsons" (Judeans). By the way, "wogs" is not a colour label, it was a nickname applied to the cheerful porters at various Ports and Depots in Egypt handling War Office General Stores (WOGS).

I remain, Sir, yours truly,  
A. A. WHITELEY,  
Eastwicks,  
Surrey,  
Berkshire,  
October 25.

May I make it clear that the meeting produced nothing of significance, and there was no question of Zambia compromising the principles on which it stands.

For your correspondent to allege that the meeting was a success is a misconception. He refers to shortages of certain commodities, inflation and unemployment among the problems that Zambia is facing. However, he admits that the root cause of these problems is the fall of the price of copper, our main foreign exchange earner. The world-wide economic depression did not exempt Zambia and, like many other countries, this depression has resulted in inflation and unemployment. The price of copper has also meant that we have limited foreign exchange.

May I in this connection state that it is unfair to say that these economic problems are of our own making especially since we have no control over copper prices. We are selling copper at lower prices per tonne than it costs to produce it. This is a problem which your correspondent ignored but which is exercising the minds of many in the international community through North-South dialogue.

Mr Ashford touched on the Cabinet reshuffles of ministers. These are normal governmental changes designed to place the personnel in right positions. As for dismissals, reasons have been given for each one.

One final point—President Kaunda did not persuade Mr Simon Kapwepwe to rejoin the United National Independence Party. Mr Kapwepwe himself has explained that he sought membership of the party.

Yours faithfully,  
L. P. CHIBESAKUNDA,  
High Commissioner for the Republic of Zambia,  
Zambia House,  
71 Old Broad Street, W1,  
October 11.

## Dear is beautiful

From the President of the Royal Institute of British Architects.

Sir, Ugliness is not necessarily cheap. Many hideous things are the product of extravagant expenditure. Nevertheless, it is also true that as a nation we tend to spend too little on our buildings, particularly on housing. Local authorities have to keep down the rates but whether low-cost housing is cheap when the consequent social and maintenance costs are taken into account is another matter.

Beautiful buildings, whatever the price bracket, are produced by clients who want to achieve something worthwhile and who take the trouble to find the best architect for the job. Too often the aim is simply to get the cheapest building that will do.

But low-cost housing can be attractive. Mrs Fisher (letter, October 17) should come and see the exhibition of the Department of the Environment's Awards for good housing which is to be opened by Mr Reg Ffrench, the Minister for Housing and Construction here at the RIBA on Thursday, October 27.

Yours faithfully,  
GORDON GRAHAM,  
President, Royal Institute of British Architects,  
66 Portland Place, W1,  
October 19.

## Avoiding the hiackers

From Mr Leslie A. Hill.

Sir, Might I suggest that the International Association of Airline Pilots should publish their list of airports where security is lax so that those, who like myself travel extensively, could boycott them?

I remain, Sir,  
Your obedient servant,  
L. A. HILL,  
La Prairie,  
La Prairie,  
Jury,  
Channel Islands,  
October 20.

## Assessing future oil reserves

From Mr K. R. Williams.

Sir, In his letter of October 24, Professor Peter Odell not only misuses figures to misrepresent my point of view but, more importantly, misunderstands the nature of oil reserve estimating and thus the nature of the energy problem the world may confront. My statement, quoted by Professor Odell, that "Most experts are agreed that the world oil resource is of the order of 2 x 10<sup>12</sup> barrels" is in fact supported by the evidence he cites in an attempt to refute it. The consensus view of the Delphi type of survey of the Institut Français du Pétrole of the exploitable resource base for "conventional oil" was in line with the figure I quoted. But a consensus is of course by definition not comprehensive and there were, as is usual in this type of opinion seeking, odd extremes of view—in this case a low of 1.3 x 10<sup>12</sup> and a high of 4.2 x 10<sup>12</sup>. Neither the authorship nor rationale of these extremes were explained, but they are not accepted by most professionally competent petroleum geologists.

My statement in my talk that there are indeed considerable quantities of oil locked up in tar sands and oil shale, probably at least as much as reserves of oil itself. However, costs of oil from these sources are likely to be twice the current price of oil.

The June conference of the International Institute for Applied Systems Analysis, to which Professor Odell also refers, produced very high figures of the world's oil resource based on the assumption that all oil that has formed will be ultimately exploitable.

This assumption is vulnerable on two counts. First, many oil formations are likely for reasons of size and remoteness of location, e.g. some deep sea or Antarctic, to remain undiscovered or unexploitable while others have leaked away with the passage of time.

Secondly, rates of discovery and development are not only a function of physical reserves but of the political, economic and social perceptions of the countries in which the oil may be found. This has become abundantly clear in a world where the chief single incremental source of oil reserves currently lies in one country, Saudi Arabia.

There are of course no facts about the future, and the only purpose of statistical estimates of oil reserves is to provide an assessment of probabilities on which governments and other relevant entities can make policy decisions of lesser rather than greater risk. Professor Odell's arbitrary choice of higher reserves is a purely subjective decision on the selection of evidence which suits his argument, and is liable to provide grounds for optimism about resources which cannot currently be justified by geological evidence or political observation and which, if interpreted into a policy of total

reliance on oil, could be a recipe for disaster.

For motivations, which are questioned by Professor Odell, he will have to interrogate individually that wide variety of university, government, industry and non-affiliated experts who constitute the consensus. Mine are those of a scientist who believes that any misrepresentation or distortion of the mass or product of reasoning is not only a betrayal of my professional integrity but also a disservice to the company for which I work. Yours faithfully,  
K. R. WILLIAMS,  
Shell Centre, SE1,  
October 25.

## From Mr Anthony Verrier

Sir, Professor Odell's letter in today's *The Times* (October 24) will be welcomed, and supported, by anybody who actually has continuous dealings with the producers of oil, above all in the Middle East. Oil producing governments there are just as conscious of the need for conservation—albeit, the intelligent use of energy—as pundits in consuming countries. But these producing governments have a totally different view of their regions' long term resources from those who persuaded President Carter on April 20 last to announce that the world was running out of oil.

Contrary to what is being propagated widely, the Middle East, as an oil and gas producing region, still has enormous potential for development, both in terms of reserves and recovery rates. When President Carter made his April 20 statement the reaction in three Middle East producing countries was to publish figures for reserves which differed greatly from those usually found in Western publications.

In case it should be supposed that these Middle East figures represent a special pleading, I commend a careful study of the enormous amount of material in the region's oil to be found in the Foreign Office papers in the Public Record Office and the State Department papers in the National Archives in Washington. The information on this subject has been available for a very long time: and now, silence ensured profits all round.

I might add, finally, that an OPEC seminar in Vienna a mere fortnight ago was notable not only for the diversity of views and experience assembled, but for the fact that attention was concentrated on what should be done in the medium and long term to ensure a secure and equitable supply of oil and gas. The resource base was known, and the terms on which producers sold and consumers bought.

Yours, etc.  
ANTHONY VERRIER,  
1 Nicotia Road,  
Wandsworth, SW18,  
October 24.

## South African banning

From Sir Robert Birley.

Sir, *The Times* did very well in publishing yesterday (October 21) the full text of the statements which have been banned by the South African Government. But inevitably some of the names will not mean anything to most people in this country. Perhaps I might be allowed to refer to one of them.

Black Consciousness, founded four years ago, was an institution which was intended to initiate and promote welfare activities among the Africans, such as health clinics (a fine one has already been founded at Mamelodi, a township near Johannesburg), creches, training in home industries. The whole of the administration and organization was carried out by Africans, though the institution was very ready to accept financial help from whites and to work in association with the South African Council of Churches.

It has been banned, of course, because it is an expression of Black Consciousness. As long as he was allowed, Steve Biko was one of its leading members. The point of Black Consciousness is that the African feels he should be proud of his own culture and through it

contribute to the future development of the country. "We cannot come in under the umbrella of the white liberals," as Steve Biko once said to me, "or the contribution we make will be a white one and it will be a black one." (He went on to say, "of course, we are not the only people in this country. There must be a white contribution, too.") All institutions connected with Black Consciousness are in the list of 18.

It may seem absurd. Surely this is a perfect example of apartheid separate development. But it should be remembered that this "separate development" is not for the blacks as a whole, but for the various African tribes, which must develop separately in their own homelands. Black Consciousness rejects this completely. The Africans are one people. This the South African Government cannot tolerate and the destruction, for example, of a health clinic serving hundreds of people is neither here nor there.

Yours truly,  
ROBERT BIRLEY,  
Loman,  
West End,  
Somerset,  
Somerset,  
October 22.

## Pension fund investments

From Mr Alan Beith, MP for Berwick-upon-Tweed (Liberal).

Sir, Mr Richard Holloway (letter, October 24) must be a secret Socialist. Under the guise of an attack on Labour's left wing over the investment policies of nationalised industry pension funds, he espouses the distinctively left-wing policy that the Government of the day should take over the management of these funds and use them in pursuit of its current policies rather than allowing them to be managed in what the trustees consider to be the interests of the present and future pensioners whom they represent. As a Liberal, although I also question both the wisdom and the justification of some recent investment, I find such a proposal unacceptable.

Yours faithfully,  
ALAN BEITH,  
House of Commons,  
October 25.

## Year of the mouse

From Colonel U. Corbett.

Sir, We claim the mouse industries must put three bags of dry food in a spare room. After a fortnight one was needed. It was empty with a small hole at the back. No sign of the nuts anywhere. We set a trap. After some days we went to a chest near by and, with a struggle, opened the bottom drawers. They were most neatly stacked to capacity with all the 15,000 missing nuts. No thief, our mouse.

Each nut had been carried six feet and up one foot over the back of the drawer. Nothing gnawed or damaged. That mouse travelled at least 35 miles and climbed many a mountain. Alas, after discovery, snap went the long forgotten trap. He deserved better.

Yours faithfully,  
U. CORBETT,  
Shobdon Court,  
Leominster,  
Herefordshire.







# SWEDEN

a Special  
Report

The past year has been one of the most eventful in modern Swedish history. In September 1976 the Social Democrats were at last defeated, after a succession of hairbreadth escapes in recent elections, to end an astonishing run of 44 years in office. In their place came a coalition of three parties—the Conservatives, the Liberals and the Centre Party under a Centre Party Prime Minister, Mr Thorbjörn Fälldin—and observers wondered whether such an inexperienced and disparate team would hold together and whether it would make any difference to Swedish life if it did. Could there really be a non-socialist alternative in the socialist paradise of Sweden?

Since then such speculation has been overtaken by the misfortunes that have undermined the foundations of the paradise. Rather than being a non-socialist alternative, the new government has been a disaster. Inflation is rising—though the nominal rate is low by international standards at just over 2 per cent, there is a good deal of concealed unemployment through retraining schemes. Inflation is also going up and there will be a severe balance of payments deficit. Against this background, it is perhaps not altogether surprising that the krona

the nation that knew how to do it—to combine social justice with material wealth, a strong trade union movement with good sense on wages and restrictive practices, generous welfare benefits with a thriving private industry, the freedom of choice of a parliamentary democracy with a remarkable stability in government.

This was the socialism that worked as living standards rose while the principle of equality was applied with increasing rigour. The good times at home were matched by a readiness to give good advice abroad. Sweden was never reluctant in these years to tell others how they should solve their problems, a cast of mind that led naturally to an active role in the United Nations.

In Europe Sweden decided that it would not be appropriate to join the Community for fear of undermining its neutrality, but its member-

ship of the currency snake symbolized its ability to meet the Community's economic terms. It was in the fortunate position of one able to afford the subscription but declining to walk into the club.

Even if Sweden was sometimes praised for achievements it had not secured—the famed responsibility of Swedish unions did not prevent inflationary wage settlements—it has been discomfited to fall from such grace. It is almost certainly wise to leave the European snake—with Swedish inflation running well ahead of prices in Germany it would have placed an impossible handicap on Swedish exports to have kept the krona tied to the mark—but it is none the less humiliating.

Swedes have to accustom themselves to falling living standards with all the social tensions that brings, as we in Britain know so well. Perhaps worst of all there is

the sympathy of neighbours, even sympathy with relish.

Altogether there could not have been a worse baptism for the new Government, and it is hardly surprising that the coalition parties have had some poor showings in the opinion polls. But the extent to which Mr Fälldin and his colleagues can be fairly blamed for the country's misfortunes is strictly limited. Tougher measures might have been introduced earlier than the austerity package that accompanied the devaluation of the krona in August. If the Social Democrats had still been in office the national wage bargaining process would in all probability have been smoother in the spring.

The final outcome might have been less satisfactory—the increases negotiated are expected to raise industry's wage costs by about 12 per cent a year, which can be ill afforded at a time when so

many companies are operating at a loss. Almost certainly there would not have been the same bitterness with threats of damaging strikes. In the course of the negotiations the trade unions made clear their hostility to the Government and their refusal to accept the kind of guidance on the national interest that they had done when the Social Democrats were in office.

But the main reasons for Sweden's economic difficulties go deeper than that. At a time of general European recession Sweden deliberately kept her economy going at a fast pace in the hope that international trade would soon pick up. That was a good way of insulating Sweden from the time being from the effects of the recession, which explains why the state of the economy was not an issue of consequence in last year's election campaign.

Unemployment was kept

down, price inflation was only moderate, yet generous wage increases were still negotiated. But although the electorate is hardly likely to object when wage costs go up by some 40 per cent over two years, while price increases are only 9 or 10 per cent a year, that cannot be the basis of a healthy economy. Such results were achieved by pushing up export prices very rapidly and squeezing company profits. Neither of those trends could last indefinitely. They have inevitably led to a fall in exports during the first half of this year and to a collapse in company profits. Perhaps all would have been well if the European boom had come, but it has not.

So Sweden is paying now for the risks taken in the past, and the responsibility for those risks rests more with the Social Democrats than the Government of that day than with anyone else—

though it is true that, as policies in Sweden are so often evolved by a process of discussion between the parties, there is a measure of general responsibility.

Sweden may also be paying for taking prosperity for granted for too long. The expectation of ever higher living standards, combined with very high direct taxation, has led to a consistently high level of gross pay increases on the assumption that Swedish technological and entrepreneurial skill would continue to provide the means. Now that they cannot the new Government is left with problems that are very familiar to us in Britain.

In the circumstances it is hardly surprising that Ministers have broken little new ground. They have been somewhat battered by their experiences, but at least they have held together—which has defied some expectations.

Geoffrey Smith

## Sudden crisis strikes model economy

by Roger Choate

It remains to be seen whether Scandinavia's father-land economic powerhouse can be extricated from its first economic crisis since its great depression. If Sweden continues to stumble the economic repercussions will be felt throughout northern Europe.

It is true that the casual visitor to Sweden will detect signs that an historic economic crisis is under way. Large shops are stuffed with imported luxury goods; expensive new Volvo and Saab cars are

Stockholm's sweeping "skyways"; and fat child allowance cheques are sent punctually every three months to families by the administrators of Europe's "model" welfare state.

The crunch, in other words, has not yet been felt by Mr and Mrs Sven Svensson because the economic crisis has descended so suddenly. As late as last year the Organization for Economic Cooperation and Development (OECD) admiringly pointed to Sweden as a casebook study of the superbly managed economy.

The crisis is commonly attributed to production costs, which have risen far too swiftly in Sweden over the past two years. Together

with wage increases and rises in the employers' payroll tax and social security charges, companies found that the extra costs totalled about 40 per cent.

Key industries suddenly sagged or even collapsed. The bottom fell out of shipbuilding last year, partly as a result of high wage and production costs. Other export-oriented industries, such as timber, paper and pulp, have been bleeding because of uncompetitive production costs and failure to develop new technologies.

The important iron-ore industry saw its market position snatched by foreign competitors—again because of pricing. Mass lay-offs have been announced by the state mining concern LKAB, which

may never fully recover.

Volvo, the nation's largest industrial undertaking, reported sharply reduced profits during the first half of 1977 with car production at about the same level as last year. In August it broke off merger talks with Saab-Scania because of clashes of management styles. The failure of the merger raises doubts about the future of the Swedish automotive industry.

The official unemployment rate of 2.1 per cent—which disguises a mammoth manpower retraining programme—is expected to rise sharply when the long Scandinavian winter sets in. Official forecasts of industrial investment suggest a fall of 6.5 per cent, and the gap

may decline before the end of the year.

As though this were not enough, overall liquidity has suffered a set of shocks from successive tightening of monetary policy.

The centre-right Government, clearly shaken by the economic debacle, recently devalued the krona by 10 per cent and decided to leave the European currency snake. It was the third devaluation in less than a year. Explaining the latest devaluation, Mr Thorbjörn Fälldin, the Prime Minister, stated that "structural crises are threatening employment in many companies". Swedish products, he said, were in danger of being priced out of world markets.

His Government noted that

inflation was running at nearly 17 per cent amid a decline of industrial production and investment. The current accounts deficit estimate was forecast upwards to 16,000m kronor (£1,800m), an astronomical sum for a nation of eight million inhabitants.

The Government, in further moves to assist industry, abolished the general payroll tax to counteract the devaluation effects resulting in higher costs for foreign companies and other expenditures. A general price freeze was also clamped on the economy, remaining in force until October 30. Prices are then expected to soar again. Companies generally blame the crisis on high labour costs. Average industrial

wages are running at nearly £3.50 an hour while Sweden's impressive technological leadership resulting from wartime neutrality has vanished in recent years. Insufficient attention has been paid to developing well-financed research and development programmes in many firms.

Some business leaders also point to Sweden's impressive social security system as a cause for present woes. But, in fact, company taxation is far more lenient than in Britain. Most company economists think the real Swedish sickness is related to managements themselves, and their particular sloveness in opening new markets.

For years many Swedish companies could count on

their better products selling abroad automatically, and thus neglected modern marketing and promotional techniques. "There has been little desire to commit resources to marketing", said Dr Gunnar Ebrilmark, an economic consultant.

A leading Stockholm management consultant, who declined to be named, was more blunt. "Quite a bit could be achieved by administering shock therapy to a lot of management directors", he said. "You have got these people sitting on boards who are engineers and technicians, who have not the faintest idea how you go about effectively selling all those beautiful ball bearings and machinery."

This viewpoint was given indirect support by Mr Nils Astling, the Minister for Industry. Upon his return from Latin America recently he said he had gained the impression that Swedish industry was not working hard enough to sell its products abroad. He accused management of grossly simplifying by blaming every failure on high costs.

There is an impression that top executives of even the big Swedish multinationals tend to view the world through narrowly parochial lenses. It is noted, for instance, that very few foreign nationals are permitted to occupy posts of any real significance in the central headquarters of the big firms.



harbour at Gothenburg. The trade fair in this city is one of the best known shop windows for industry.

## Unprepared to seize export opportunity

David Young

Sweden are embarking that they allowed themselves the luxury of coagulation early in 1970s when it seemed the soundness of their economic thinking was as active as their international reputation.

They took the view that small industrialized nations should do the rest of the world's business for them. Thus when the nations were feeling full effects of the world recession and the oil crisis, Sweden continued producing to meet the needs of the world and to any rise in world competition.

However, the length and depth of the recession defied the effectiveness of theory and practice and left Sweden with big deficits, and its management in some cases demoralized and pessimistic.

Now, in the wake of the International Monetary Fund call for the industrialized nations to stimulate economies, there is a big within Sweden.

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## Participation is the name of the game

by Norman Harris

In the Swedish sporting vocabulary participation, recreation and health are bigger words than success, victory or defeat. This is not to say that Sweden does poorly in world sporting events. It does a good deal better than many people may think.

With a population of only 8,250,000, Sweden finished twelfth, one place above Britain, in the gold medal count at the Montreal Olympics. The gold came in such diverse sports as athletics, cycling, fencing and yachting.

With a strong tradition for football (but with only 3,000 clubs compared to England's 38,000) the country competed with distinction in the last World Cup finals, staged the event in 1958 and lost to Brazil in the final, finished third in 1950, won the 1948 Olympic title, and continues to provide many fine players to Italian clubs.

The tennis achievements of Björn Borg need no elaboration. And Sweden provided world table-tennis champions before the Japanese got back on top. On snow and on ice, however, Sweden's recent sporting record is not up to scratch. In the last winter Olympics Sweden failed to win a title and finished fifteenth in the medal count, behind Britain and Liechtenstein.

But let us now look away from Olympic medals and the split seconds which separate them, and consider instead the finish of a long-distance Swedish ski race called the Vasas: not the fact that a Russian is first, a Finn second and a Swede third, but that the leaders are at the head of some 10,000 skiers who yearly attempt the 53-mile course.

The winner last year took 4½ hours, the last finisher nearly 13 hours; and half way down the field, an ordinary skier like everyone else on this day, was the King of Sweden.

Of similar proportions is an annual bicycle ride around Lake Vättern, in which about 4,000 men, women and children tackle the 185-mile circuit in upwards of 24 hours. But the biggest of all is a five-day orienteering festival, the Öringen, which attracts up to 17,000 competitors—again, many of them in family groups.

This is the real Swedish success story. It started with the early recognition that sport in providing a platform for a healthy society should embrace everyone so that, with competitive sport attracting only a minor proportion of the population, the major influence would have to come from recreation. With the realization that traditional sports tended to separate

males and females, there was also a greater appreciation of pursuits, such as orienteering, which unified the sexes and the family.

Other recreation target groups identified in recent Swedish policy discussions are the elderly, the handicapped, and the housebound. A government study group proposed that exercise is not just for strong, athletic types with good physiques; on the contrary, it is perhaps more important for the weak, lonely and handicapped.

The same study group offered possible "ground rules for society" of which these are examples: to encourage particularly those school and youth sports which may be most easily continued in later years; to encourage sports that are most conducive to health and wellbeing, and which involve the smallest costs and risks; to place sports amenities close to homes or workplaces.

Each of this may sound obvious enough, but such ideas in practice have been quite radical. Sport for the worker in Sweden is a long way removed from the private sports grounds of large British companies and institutions. For the Swede, it means help in establishing sports and recreations in or around the workplace, with a constant supply of materials, information and results.

All this is the concern of a sort of sporting godfather, the Inter-Company Sports Association. Initially formed to encourage sport within the workplace, the now large and widespread association has extended its brief to include the children of working people, the family and thus, ultimately, the community.

Known as the Korp (corporation), it is effectively in charge of community sport and recreation: helping to orchestrate national campaigns, building and running large sports halls, helping small neighbourhood clubs to organize their own competitions, staging informal participatory events. Colourful, fun posters invite local people to turn up, perhaps in the town square the next Saturday, to try anything from a barbecue to bicycling.

In the hands of the Swedes, modern exercise is rather more at the direction of the propagandist and marketer expert than of the physical training instructor. Such thinking is reflected in the training of the 200,000 sports leaders (one to every 40 Swedes) who are now in action, mostly spare-time and unpaid. When the programme in question is aimed at overweight women over 40, the instructor will be likely to be an overweight woman over 40.

One dramatic example of Swedish exercise propaganda is an illustration of the in-

side of a human heart, with the question: "A Swedish male heart ticks 53 years longer than its American counterpart. Why?"

The obvious answer is exercise. Such is the place of exercise in Swedish daily life that a Swede on his way home from work is probably more likely to call in at a jogging track (custom-built in the woods) than he is to call in at a pub for a drink.

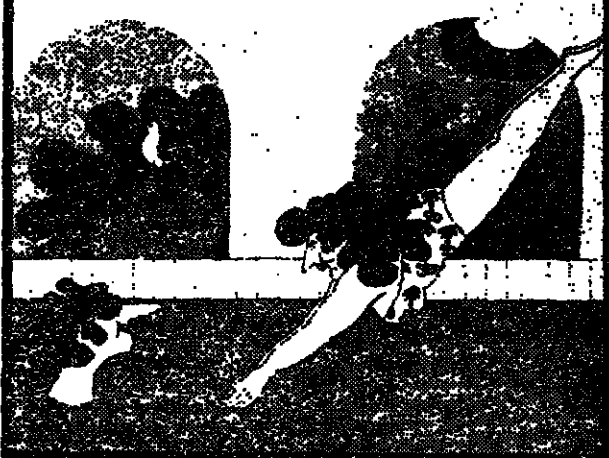
It is also true, though, that he is more likely to find a

jogging track than a pub. It is certainly not easy to drink, and not always easy for young people to indulge their high standard of living. The question mark is whether the Swedes, while getting their priorities right, are just a little over-zealous with the emphasis. But that is a question that goes far beyond sport.

The author is on the staff of The Sunday Times.

## SIMMA SOMMAREN TILL MÖTES

Erova arets simborgmarken i inomhus nordisk motionslandskamp 1-30 april 1974



Colourful, "fun" posters invite local people to take part in sporting events.

## ORIENTERA MED KORPEN

Nordisk motionslandskamp 16 augusti-31 oktober 1973



by Peter Hill

The world shipbuilding crisis has afflicted every important shipbuilding nation to a greater or lesser degree and Sweden—one of the most efficient industrial nations—is no exception.

Swedish investment in advanced methods of shipbuilding and high technology has ensured that its industry has ranked second in the world to that of Japan in recent years and as the most efficient industry in Western Europe.

Last year Swedish yards completed a record tonnage of 2,500,000 tons gross—about a million tons gross more than the British industry—but even as the yards were producing this record output it was clear that massive reorganization would have to be carried through if the industry was to survive in any competitive shape in the 1980s against the expected decline in demand for ships over the next three to five years.

It is recognized that the world shipbuilding industry will still have 80 per cent more capacity in 1980 than is needed and every nation has acknowledged that capa-

city reductions are essential to ensure survival. Few, so far, have carried through proposals for reducing capacity in line with Sweden's boldly pragmatic move.

In May this year the Swedish Government introduced a package of shipbuilding measures which included the establishment of a new state-owned shipbuilding concern, with the exception of the Kockum yard at Malmö. In addition a total of 4,000 kronor was provided in the form of direct state subsidies and a further 10,000 kronor in state credit guarantees.

The new state shipbuilding concern, Statvarv, embraced the Göteborg group Erikberg (both of whose big facilities are in Göteborg) and the already state-owned Uddevalla yard. In line with policy outlined by the previous Social Democratic government the Erikberg yard at Göteborg is being closed, with the loss of 4,700 jobs and some 600 sub-contractors' jobs in 1979. The temporary policy is scheduled to last until 1979 when further cutbacks may be necessary.

This bold and politically unpopular policy of closing down yards and creating un-

employment is a policy which almost every other European nation with a shipbuilding industry has shied away from, but other features of the Swedish policy have been severely criticized on the grounds that they can only contribute further to the continuing overcapacity in the industry.

The criticism has centred on the provision of funds by the state which will enable yards to build ships on a speculative basis. The cash measures included in the building for stock programme included an increase in credit guarantees available to owners together with further guarantees to enable yards to retain ships built for stock until market conditions encourage their sale.

Other shipbuilding nations have attacked the building for stock measures as harmful to the ability of the industry to recover from the overcapacity crisis although the stockbuilding policy has so far not been deployed extensively. The Göteborg group obtained orders in August from the Selen group for 12 new ships (orders influenced undoubtedly by the provision of attractive financing terms by the Government). They were for six

refrigerated cargo ships, five dry-cargo vessels and one roll-on roll-off ship. The six refrigerated ships are being built for the Selen group and are scheduled for delivery between the end of next year and 1980.

Apart from the measures designed to aid the shipbuilding industry specifically the Government has also provided state guarantees up to 500m kronor, which were designed to enable domestic shipowners to raise loans. This measure was directed particularly at aiding those owners with financial difficulties of their own caused by the collapse of the tanker market and the weak state of freight markets generally.

In the first quarter of this year Sweden slipped down to fourth place in the world league table of shipbuilding nations with a total order book of just over 3,500,000 tons gross, having been overtaken by both the United States and Spain. By the second quarter of the year the order book had been reduced by more than 400,000 tons to just over the three million-ton mark, although the orders gained in recent weeks will have enhanced the industry's prospects.

The Kockum yard in Malmö, perhaps the most advanced and forward looking yard in Sweden and indeed Europe, is building liquefied natural gas carriers for stock. The company entered the LNG shipping business when the development of LNG transport systems was beginning, and has sought unsuccessfully to secure further orders of this type of ship.

Against the background of the Swedish support measures, international efforts designed to achieve a better balance between the shipbuilding industries of Japan and Western Europe continue under the aegis of the Organization for Economic Co-operation and Development. The discussions have shown signs recently of some progress and there are signs that the Japanese share of the available world order has declined in the first months of this year.

But the concern at the effect of the Swedish stockbuilding measures remain and the OECD working party on shipbuilding is anxious to ensure that such policies do not proliferate.

The author is Industry Correspondent, The Times.

## Foreign expansion leads to modernization

by David Young

It is not being unfair to say that only in the past 10 years has the Swedish banking industry shed its rather hidebound and insular image and followed the aggressive export-oriented path long trodden by the country's other industries.

The Scandinavian Bank and Nordic Bank in London was the first tangible demonstration of this new approach. It was soon followed by similar joint operations with other Nordic banks in the United States, West Germany and Switzerland.

It is this expansion abroad which has been the main impetus to the development of good earnings and to a general programme of modernization and the injection of new methods and ideas. The push that led the banks to adopt such a stance came from a government policy change, which resulted in a massive increase in overseas borrowing. Riksbank statistics show that in 1976 long-term borrowing overseas totalled 10,500m kronor (about

£1,400m) and allowance has been made in this year's budget for up to 18,000m kronor of new foreign borrowing. The Government showed the way earlier this year with a \$1,000m Euro-dollar loan.

The policy of the Central Bank is to restrict the domestic market and to encourage local authorities and companies either to refinance credits abroad or raise foreign loans. This policy is resulting in the influx of business to the 11 commercial banks in the country, giving them a secure and permanent foothold in the international market while at the same time being protected from foreign competition in the domestic market.

Further encouragement for the banks to concentrate on developing foreign business came last October when the Riksbank raised the discount rate and put a six-month long limit on lending. The limit, which, as followed by a Riksbank "recommendation" to limit advances to 6 per cent for a further six months, applied to credits to the general public but not to credits refinanced abroad. This tightening of monetary policy by the Riksbank and its consequent tightening of liquidity has led the 11 commercial banks to lower their profit expectations for the current year.

A state commission investigating the possibility of amending the banking regulations to allow banks to operate with lower capital ratios has persuaded the Government, as a temporary measure, to accept a reduction of capital cover ratio. It has been calculated that this reduction will cut the total capital cover requirement for the banks by 800m kronor by the end of next year.

Banking circles admit that the much more flexible and understanding attitude adopted by the Riksbank since 1974, together with the close controls imposed on the 11 commercial banks by the Government and the insistence that they must carry out certain social obligations. The productivity of the banks has also risen in the 1970s, with profitability per employee increasing by more than 4 per cent a year compared with 0.5 per cent in the 1960s. Mergers, the closure of unprofitable branches and the adoption of computerized cash and clearing systems have all contributed to increased productivity. In addition the banking industry has benefited from a speedy solution to the socialization issue, which caused as much concern to them as it has recently caused to the British industry.

The system now in operation means that the state and the bank employees are represented at board level and suggestions of full nationalization have been shelved.

The commercial banks have also been quick to meet demands from the unions in the industry for collectively managed capital funds. They have set up profit-sharing schemes. The Svenska Handelsbanken has operated a scheme for several years under which its employees have a share of bank profits paid into their own investment fund in years in which the bank's return on capital exceeds the commercial bank average. Skandinaviska Enskilda has established a scheme for a three-year experimental period which could result in bank employees receiving bonuses of up to a fifth of the shareholders' dividend.

At the same time the needs of the investor have not been ignored to meet the demands of the employees and politicians. Svenska Handelsbanken management

produced the idea of "index accounts" with monthly transfers being paid into schemes that the savings banks have devised and are operating successfully. However, while the banking industry has eased its criticism of Central Bank attitudes and praised its help over invisible exports, Sweden's small but aggressive insurance industry is less complimentary.

Privately insurance company officials feel that the Central Bank has failed to grasp an ideal opportunity of capitalizing on the country's worldwide reputation for efficiency and allow invisible earnings to grow.

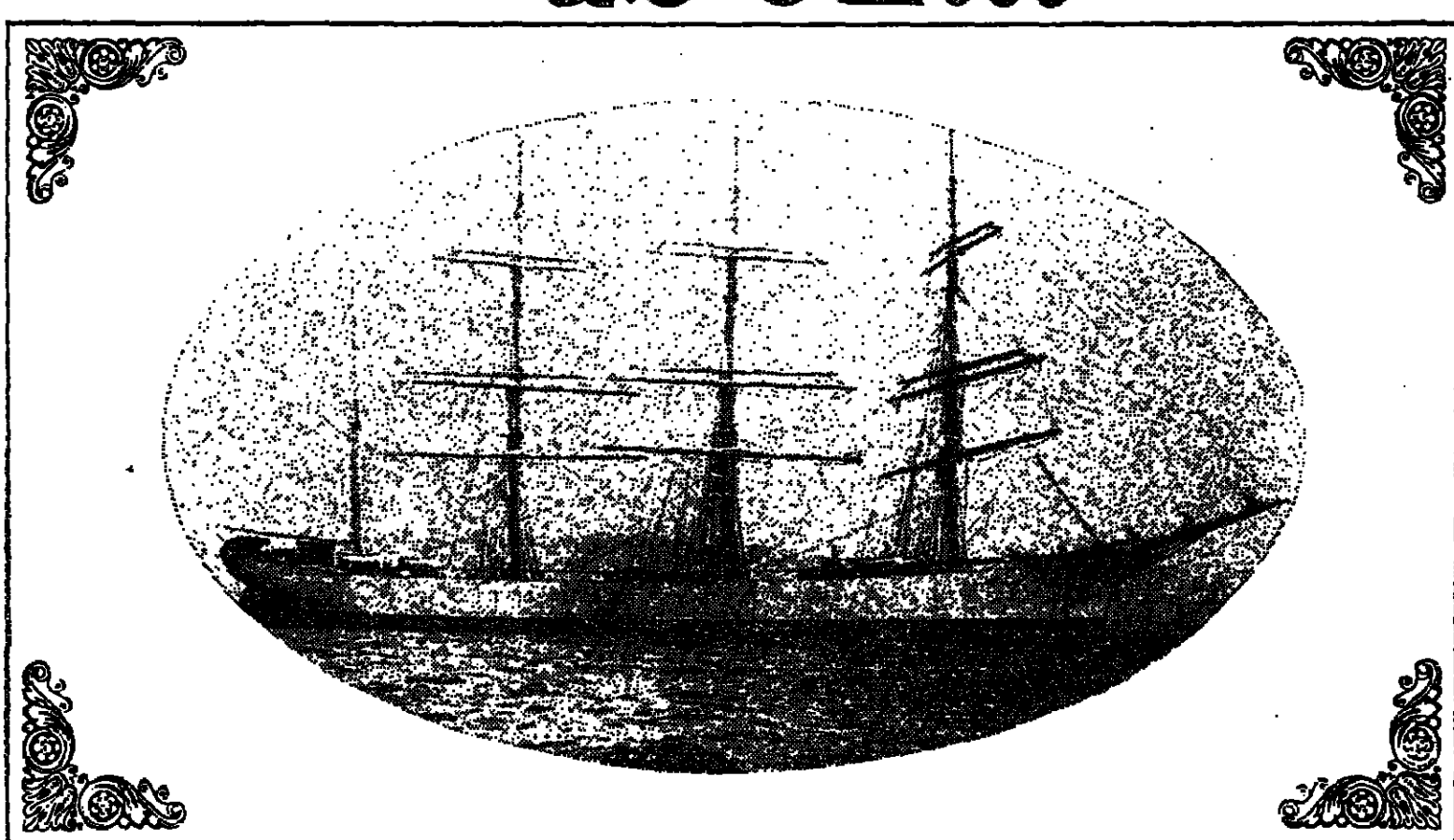
The insurance companies, notably Skandia, the largest force in the non-life sector, has expanded abroad by opening subsidiary companies. It feels that international earnings could be considerably higher if it were not for the Swedish laws

Government's close interest in several complex savings schemes that the savings banks have devised and are operating successfully.

which insist on foreign earnings being retained in Sweden, rather than allowing companies to maintain reserves for meeting local liabilities abroad. The necessity of remitting funds for conversion in Swedish currency and the meeting of liabilities from Sweden in such inflationary times has made the business only marginally profitable.

Subsidiaries are set up abroad and Skandia has been notably successful in countries where only Swedish industry has already been established. Activity in Latin America, despite the high risks of civil and natural disturbances, has contributed considerably to the company's earnings. Subsidiaries were set up there at the request of other Swedish multi-nationals in the area to deal with their business.

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## Polls tax the electors

Going to the polls in Sweden every third year is an event of considerable moment. The elector chooses the government, which he hopes will steer the country on a sound economic and social path; the municipal government, which will run and extract payment for most aspects of daily life; the county council, which administers the health services; and the parish council, which makes sure the churchyard grass is cut and the organist paid.

Selecting all these representatives, and keeping in mind the various promises of the dozens of candidates and political parties on offer, makes for extremely complex elections. The Swedes, like most other European and Scandinavian electors—the British have it very easy by comparison—cope easily enough. It can take several days for the full results to be completed, but the system does work and the easily-made assumption that such a system would provide central and local governments of the same political shade turns out to be a false one.

The city of Gothenburg is a case in point. In the year of socialist central govern-

ment its voters put the running of the city in the hands of a Conservative coalition. Now that Sweden has a Conservative Government, the city is being run by the Socialists for the first time in 40 years.

Decentralization is the very essence of government in Sweden and the local government system of municipalities has developed since reforms in 1862, the 1950s, the 1960s and in 1974, into one which allows local needs conditions to be met with little interference from central government.

The municipalities are responsible for much of the social reform policy which has been the Swedish political life. Since the mid-1950s the municipalities have consumed more than half of the country's gross national product in spending to maintain the complex social system.

But as the electoral system is complex, the municipal system is similarly subdivided. There are three types of municipality: primary, secondary and special. The primary municipalities are further divided into two categories—the civic administration and the ecclesiastical, the parish council. Until recently there were several types of primary civic municipality, but distinctions have since been removed by legislation.

The secondary municipality is closer to the British idea of a county council, usually taking in several primary municipalities. A further complication to the system is that the three major primary municipalities, Gothenburg, Malmö and Gothenburg, do not come under any county or secondary municipality and are therefore responsible for such major services—health care is the main one—which are normally looked after by the county councils.

The special municipalities are those which have been formed by an association of neighbouring primary municipalities in order to cope with particular local needs and problems. There are now 278 municipalities in Sweden compared with 2,500 100 years ago.

The main criticism of the municipal system from the Swedes who live with it is that it has come to be increasingly run by officials and not by the elected representatives.

An indication of the expansion of the functions of municipal officials is that there are now 40,000 elected representatives and 750,000 municipal employees.

The municipalities are not, however, comparable to the British regional

councils, their nearest relative in Britain. The municipal council makes the decisions of principle, allocates the necessary funds and then leaves the operation of the municipality to the municipal board, a group of between 12 and 15 elected councillors on a full-time salaried basis. The board acts rather like the municipality's own government, drawing up the economic and long-term planning proposals and presenting them to the council for approval.

This board has the right to know what the council's subsidiary boards, which cover such matters as education, public health and employment, are doing but its control is limited in principle to giving advice and making comments.

In defence of this system Swedish elected municipal representatives say that it allows the community to benefit from the considerable knowledge of the members of the boards and allows them to concentrate on the matters of broad political principle which they often self-righteously pointed out they were elected. The boards in any case always reflect the political makeup of the elected council.

In broad terms the county council composition and working methods are the same as the municipal authorities. They meet once a year, in October, approve the not inconsiderable budget before them and leave the implementation of policy to their boards in this case called executive committees.

The money that these annual budget proposals allocate for local services and projects comes from two sources. Central government grants are paid for out of income tax, VAT, and excise revenue, and from the municipal income tax. Ultimately, of course, the money comes from only one source, the heavily taxed wage earner who can find himself paying up to 70 per cent of earnings in a combination of national and local income taxes.

The municipal tax system uses the same basis as the national system, but is levied quite independently and averages about 27 per cent. The exact rate is set at the annual budget meeting and does not require the ratification of the central Government. Thus the local municipalities have a degree of financial autonomy unknown in Britain.

D.Y.

## Green gold provides growing resource

by Edward Townsend

Sweden, like its close Nordic neighbour Finland, is fortunate in having as its chief natural asset a resource that is renewable. Although over-exploited in recent years, with careful nurturing it could continue to be the backbone of the national economy for as long as necessary.

It is, of course, the "green gold" of the north—trees. Sweden's huge forests of Scots pine and Norway spruce and the smaller amounts of birch cover almost 60 per cent of the total land area. Forestry alone accounts for about a quarter of the value of the country's exports.

The trees are vital because Sweden is rich in only two other natural resources—water for hydroelectric power and iron ore. Both play a significant role in the economy but neither has the strategic importance of the forests.

In the past 15 years, world consumption of pulp and paper has boomed, with production rising most rapidly in the 1960s. To meet the demand, the Scandinavian forests were plundered to such an extent that fellings soon matched the annual timber growth.

The result throughout the Nordic forest industries has been to intensify study into new techniques of increasing the yield without depleting the growing stock.

Sweden has almost the same latitude as Alaska, despite the warmer climate (similar to eastern Canada) its trees take a long time to reach the size demanded by the pulp producers.

Growing conditions vary widely so that in the far north it takes 120 to 140 years to grow a full-sized tree while the same tree can be produced in 60 to 80 years in the south.

The main long-term problem is Sweden's larger percentage of older trees than its northern competitors and its relative shortage of 20 to 40-year-old stands.

Figures supplied by Sweden's National Forest Inventory, at first carried out in the early 1920s and repeated regularly since, must be seen in this perspective. It reckons that forest resources have increased in the last 50 years by about 650 million cubic metres which means, say the Swedes, that the country "never in modern times has had such big forest resources as today".

Major efforts to increase forest yield, often the result of collaboration with other Nordic countries, have been

taking place in recent years. These have included increased timber production, improved use of the available wood fibre raw material in the form of better industrial processes and higher use of the trees' biomass, increased recycling and a rise in the net imports of wood fibre.

What is hoped will result in significant increases to Sweden's available timber is the "whole tree use project". After felling, a large part of the tree—the top, small branches, stump and roots—is left in the forest largely because of the high cost of extraction.

Booming end-product prices and shortages of raw material now makes the prospect more attractive and the Swedes have, for example, developed special machinery for "stump grubbing".

The Swedish forest industry estimates that a complete fertilization programme for firm ground may produce seven or eight million cubic metres of additional timber a year, ditching and fertilization of waterlogged land another 10 million cubic metres, stump extraction five to six million cubic metres, and a "genetically more acceptable" regeneration of ground more suitable for pines would produce another five million cubic metres.

Sweden's second major natural resource, iron ore, is found largely in Lapland, where the ore contains 60-70 per cent iron. It is estimated that at present mining rates, the iron ore reserves will last for more than 150 years.

Much of the ore is exported and Luossavaara-Kiirunavaara, or LKAB as it is known, is one of the world's principal exporters of high-grade iron ore and the largest producer of pellets in Europe.

Ore from LKAB's mines, all well within the Arctic Circle and centred on Kiruna, account for about 90 per cent of iron ore exports. The company, part of the state-owned Statensgruvarna Group, reckons it has proved reserves of 3,000 million tons.

LKAB's normal annual production rate is put at 30 million tons but this year the company has been badly affected by the world decline in steel-making. The initial sales forecast for 1977 was 25 million tons but this was later amended to 20,500,000 tons.

Falling prices and declining shipments are expected to result in a loss this year of 385m kronor at a time when LKAB is engaged in a 1,500m kronor investment programme.

## Strict attitude towards revenue evasion

Although Swedes are already among the most heavily taxed people and their taxation system borders on the pyramine in its complexity, the Government is threatening to inflict on the taxpayer system of income tax deduction.

The system under consideration would be tied to the country's consumer price index, a monthly index arrived at on the same basis as the British retail price index, but already it has run to opposition from both sides of Parliament and the trade unions are solidly against any form of tax deduction.

Privately some politicians at that indexation will never come into effect, but the threat of such a system could be used as a bargaining point in dealings with the trade unions on wages and the many social changes they are demanding.

The unions, on the other hand, take the threat of indexation being pushed through very seriously and say that they would not be prepared to make any concessions.

The issue is now one for negotiation and debate. But in the meantime the Swedish taxpayer will continue to make what advantage he can of the present system.

The Swedes frown on little regard for those who become tax evaders, but at the same time they work within the rules to maintain their high

standard of living and make as much use as they can of the tax concessions offered by the Government.

The most obvious manifestations of this are the second home and the boom in boat ownership on the west and east coasts of the more densely populated south. In the past four years the number of families owning boats has increased rapidly, and many of the boats have been bought with loans qualifying for considerable tax relief.

As one builder of luxury sailing cruisers said, the Swedes have discovered that their credit rating is remarkably high.

In Sweden the rate of income tax is fixed each year by the Government in the Budget, but it is the local income taxes set by the

municipal authority in the area where taxpayers live that is the main drain on income.

The Metalworkers' Union, the country's largest, estimated that last year an average member earned 51,000 kronor, of which 19,100 went in income tax and 7,000 in government income tax.

Income tax is paid by everyone earning more than 4,500 kronor a year with corporations and economic associations such as co-operatives being taxed as entities and members of partnerships being taxed as individuals.

The system of tax collection is that, apart from seasonal workers who are paid wages less deductions for tax, every taxpayer in Sweden has to submit an annual return. To aid the process, however, a

system of PAYE has been designed in which estimated tax is withheld from wages and a rebate or a demand sent out to the person involved when the annual tax return is submitted.

The concept of what is taxable income has been widened to include most forms of income. Capital gain on the sale of business assets, other than securities and property, is taxed like ordinary income. Earnings from casual work are heavily taxed and since last year capital gains from the sale of property, no matter how long held, are wholly taxable.

However, the acquisition cost of property is adjusted upwards each year in line with the consumer price index and if the property involved has been used as a dwelling a further 3,000

kronor a year is allowed for taxation deduction. Thus householders benefit from inflation when they sell their house for two or three times what they paid for it, as far as tax is concerned.

On sales other than property capital gains are taxed at the rate of 100 per cent in the case of assets held for two years or less, 75 per cent if held for less than three years, and so on until after five years' ownership no capital gains tax is applicable.

This exemption from tax after five years does not apply to gains from the sale of shares. Since last year 100 per cent of the gain is taxable if the shares have been held for less than two years and 40 per cent thereafter.

Another form of taxation on property values is that

owners are presumed to earn income from their use of the property. In the case of one and two-home families the presumed income is rated at 2 per cent of the assessed value of the property. However, interest paid on the capital invested is tax deductible, but not maintenance, or home improvement costs.

The system of municipal taxation, while avoiding the British complications of ratable values, does add to the complexity of Swedish life and there is now a strong feeling among the unions and several of the political parties that a more nationally uniform system could be developed. The argument given is that the poorer areas pay more and the richer areas less.

The municipal income tax is proportional and is now averaging just under 30 per cent of taxable income. The other major difference is that property is taxed in the municipality it is in and businesses in the municipality they operate in, while income from other sources is taxed by the municipality where the taxpayer is registered for census purposes—frequently not the municipality of residence or work.

A loss suffered in one municipality may not be offset against earnings in another and a municipality is always entitled to charge 2 per cent of a property's assessed value as income even if there is no income from the property.

Businesses in Sweden also pay their taxes at the national and local level, nationally at 40 per cent for

companies and 32 per cent for co-operatives with local taxes being paid at the same level as individuals.

Unlike individuals, companies have a right to deduct local taxes for national tax purposes. Therefore there is no advantage for a business to locate itself in a low municipal tax area—indirectly increasing the attractiveness of low-tax areas for those who can afford to move to the generally more expensive housing in them.

It is this self-perpetuating financial imbalance between the municipal areas that the unions and political parties are anxious to eradicate or quietly allow to continue, depending on political considerations.

D.Y.

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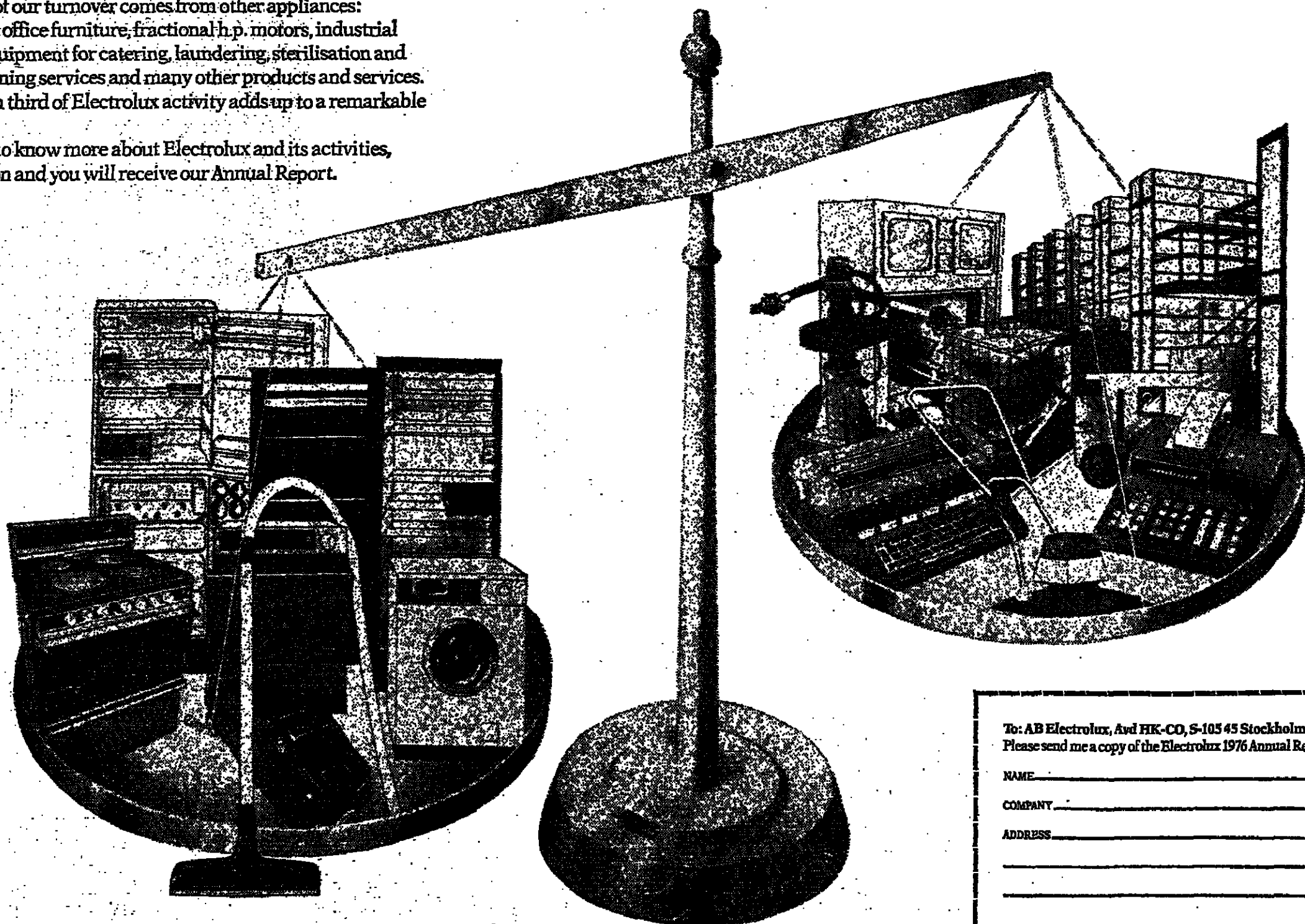
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## Vauxhall pays full rate for laid-off men to help win pay vote backing

By R. W. Shakespeare

Vauxhall Motors began laying off its production workers at Ellesmere Port on Merseyside yesterday because of a strike by skilled maintenance engineers and electricians which coincides with company-wide voting on a new pay deal for more than 23,000 shopfloor workers.

In what is clearly an attempt to avoid a shopfloor backlash against the company's new pay package, Vauxhall has taken the highly unusual step of announcing that it will pay the full rate to workers it is laying off up to and including next Wednesday—a move which runs contrary to existing layoff agreements, and which the company says should not be regarded as a precedent.

Many shopfloor workers at Vauxhall plants at Luton, Dunstable and Ellesmere Port have already decided to support the pay package that will give across the board pay increases of 50 per cent plus a productivity deal which the company claims could be worth up to £17 a week more.

However, at the Merseyside plant Transport and General Workers' Union members have refused to vote on the deal because of the layoff threat created by the week-old strike of maintenance engineers and electricians over skill differentials.

The stoppage, which has been supported by other skilled trades at Luton and Dunstable, has now been given official

backing by the electricians union.

Mr Roy Sanderson, national industrial officer, claimed yesterday that skill differentials had been more than halved over the past two years of pay restraint.

By taking the costly step of paying workers while laid off, Vauxhall clearly hopes to get a unanimous shopfloor vote in favour of the pay package which will enable it to go ahead with its offer to set up an immediate management-union working party to examine skill differential—a move which could also resolve the present strike.

Meanwhile, hopes of a settlement of the Chrysler dispute at Linwood, Renfrewshire, follow a meeting yesterday between Scottish TUC representatives and senior management men.

Afterwards Mr James Milne, secretary of the STUC, said the meeting had opened the way for fresh negotiations that would be taking place within 24 hours.

The dispute centres on a decision by the management at Linwood to move four inspectors to a new work station about 40 yards up the assembly line from their existing work station. The move, which was claimed to be a breach of agreement and when they were suspended, 40 other inspectors walked out.

The company shut down the assembly lines producing Sunbeam and Avenger cars and laid off 7,000 other workers.

## Narrowing differentials hit white-collar workers most

By David Blake

Differentials among non-manual workers have narrowed continuously throughout the decade. The figures suggest that the greatest impact of the pay policy in narrowing differentials was not on skilled manual workers, such as those in the

tourism, but the more affluent white-collar section. The survey shows that, in percentage terms, manual workers got slightly larger average increases in the year to April 1977 than non-manual workers, with increases of 5.8 per cent and 5.1 per cent.

In cash terms, however, the non-manual workers did better with a gross earnings increase on average of £7.40 compared to £6.20 for manual workers. For all men and women over the age of 18 taken together, the national average is £69.30.

Rejection of criticism made in the United States of the Bermuda II agreement, covering air services on the north Atlantic, Mr Dell said in this country had not had a restrictive attitude in the negotiations.

"In one sense, these criticisms are a compliment to the United Kingdom," he said. Apparently, the United Kingdom has compelled the United States, the most powerful country on earth, to accept an agreement contrary to its basic trading philosophies. I can assure you that in fact the agreement was a compromise acceptable to both sides."

## September strikes lost 1.5m days

Strikes last month cost British industry an estimated 1,132,000 working days. This makes September the worst month for strikes on this measure—since November 1974. Of the total, 665,000 days lost were due to strikes which began last month.

The number of stoppages beginning in the month however, was less than in several months—400. In August 274 strikes began.

Last month 149,000 workers were involved in stoppages of labour. This is significantly more than the average numbers taking strike action during the first 18 months of pay restraint. Since the beginning of

this year, the amount of strike activity in industry has stepped up.

It is still well below the levels reached in the years 1970-72 and 1974. In the first nine months of this year 6.3 million working days have been lost to industry through industrial action. This is double the total for last year, but only a quarter of the 1974 total.

Pay disputes account for most stoppages. They involved 45,000 workers in September, and caused 132 strikes. In the nine months to September they accounted for 56 per cent of stoppages and 68 per cent of workers involved.

The main strikes in September

## Two DC10s for British Caledonian's Texas run

By Arthur Reed

Air Correspondent  
British Caledonian Airways is to buy two McDonnell Douglas DC10-30 airliners at a total cost with spares of £47m to bring its fleet of wide-bodied aircraft of this type to four, worth £88m.

The first of the new aircraft will arrive at the airline's Gatwick base next autumn and the second in the spring of 1979. By then the traffic on BCal's new route to Houston, Texas, which started on Monday, is expected to have built up so well that DC10s will replace the smaller Boeing 707s now operating. Each BCal DC10 will have 265 seats.

Early indications are that the Gatwick-Houston route will be a commercial success and will break even within the first year.

Bookings are coming in at an encouraging rate of about 150 a day and yesterday stood at 3,431. A large proportion are for first-class seats.

Prince Charles welcomed the inaugural BCal service at Houston on Monday.

On the following day, largely as a result of the publicity which surrounded the event, the airline's Houston office received 500 inquiries about its new service. 320 of which were turned into firm bookings.

The first service from Houston to Gatwick arrived yesterday morning and last night the Texan business and municipal notables who were on board were entertained at dinner in London addressed by Mr Dell, Secretary of State for Trade.

He said the new service reflected the tremendous increase in commerce in recent years between Britain and Texas. In the past three years the number of British concerns with subsidiaries or offices in Houston had grown threefold and no numbered about 100. There were more than 300 Texan companies with investments in Britain.

Rejecting criticism made in the United States of the Bermuda II agreement, covering air services on the north Atlantic, Mr Dell said in this country had not had a restrictive attitude in the negotiations.

"In one sense, these criticisms are a compliment to the United Kingdom," he said. Apparently, the United Kingdom has compelled the United States, the most powerful country on earth, to accept an agreement contrary to its basic trading philosophies. I can assure you that in fact the agreement was a compromise acceptable to both sides."

## Midlands TUC calls for inquiry into affairs of Alfred Herbert

By Clifford Webb

A call for a public inquiry into the affairs of Alfred Herbert, the state-owned machine tool group, was made yesterday by the West Midlands Regional Council of the TUC.

The appeal to Mr Varley, Secretary of State for Industry, follows the recent announcement that up to 460 workers—one in four of the labour force at its Edgewick, Coventry, plant—could be made redundant within the next three months.

Sir David Parris, TUC regional secretary, said: "The climate of industrial relations at Alfred Herbert gives the lie to those who try to suggest that the unions are somehow at the root of all our troubles. There has not been a serious industrial dispute in this company for two years, yet we are still faced with these redundancies."

"We believe that there should be an impartial inquiry into the affairs of the company before they are permitted to make large numbers of their workers redundant."

His remarks brought an angry response from Mr Walter Jackson, Herbert's managing director. "Labour relations," he said, "have nothing at all

to do with the state of the market place."

"Companies have to trim their capacity to cope with the present recession in machine tool orders. It is not a problem which is exclusive to us at Herbert, but is affecting the machine tool industry as a whole."

Herbert had now used the £5m made available under the National Enterprise Board's machine tool stock-building scheme. This did not mean that £5m worth of machine tools were lying idle waiting for non-existent buyers, but that the stock was being turned over much too slowly to justify production continuing at its present level.

Some Edgewick products—notably the larger of the two Barmingham lathes—are still selling well. The problem is finding buyers for the more conventional turret and capstan lathes.

The most depressing aspect is the number of market surveys suggesting that demand for these products could remain low for another two years. Herbert employs 2,000 at Edgewick, about half their labour force in the Coventry area. The company was rescued from collapse in 1975 with government cash injection of £25m.

## IME president urges more active role for engineers

By Derek Harris

With a government inquiry into the engineering profession due soon, the professional engineer's effectiveness was being questioned by politicians and civil servants, neither of whom was well qualified to assess his performance, Professor Sir Hugh Ford said in an address in London last night as new president of the Institution of Mechanical Engineers.

Whatever came out of the inquiry it was clear that the influence and hence the status of professional engineering was not what it should be in an industrial society, Sir Hugh said.

The use of resources, in the widest sense, was not something that could now be left to the economist and politician. There were far too many vital questions of technology and engineering to be answered if the right decisions were to be taken for the convenience, safety and needs of mankind over the next 25 years.

Engineers would have to be concerned not only with devising artifacts but with the purposes that lay behind them. The professional engineer could



Professor Sir Hugh Ford: use of resources could no longer be left to the economist and politician.

no longer shrug his shoulders and stand on one side on the basis of his "not to reason why."

It was up to the engineering institutions to accept a much more responsible role in developing an engineering philosophy to help civilization through a very difficult growing-up process that now faced society, Sir Hugh said.

## In brief Tate & Lyle jobs boost for Mersey

Employment prospects on Merseyside were given a much needed boost yesterday with the start of the development of a £10m chemical complex involving Tate & Lyle and Hercules Inc, an American company.

The factory is being built at Knowsley, near Liverpool, and will be operated Talrest Development, a company formed by Tate & Lyle which will work with Hercules Powder, a United Kingdom subsidiary of Hercules Inc. The new plant will produce non-toxic industrial chemicals.

In a statement Hercules said that during the construction period about 180 workers would be employed on the site in the first year rising to a peak level of about 250. Once completed the initial phase of the plant will provide employment for 100 skilled and unskilled workers.

Brick production up  
Brick production during September was up from 392 million to 462 million; deliveries rose from 414 million to 450 million. Stocks rose slightly by the end of the month to reach 776 million, equivalent to around two months' production at current levels, according to figures released yesterday by the Department of the Environment.

Ship orders go east  
South Korea's shipbuilding industry increased its order book to 1,359,464 tonnes dead weight, the highest level since 1974. Taiwan lifted its order book from 1,138,800 tonnes at the end of June to 1,325,100 tonnes at the end of last month, according to The Motor Ship Journal.

To-plea on imports  
Mr Michiya Matsukawa, Japan's vice-minister of finance for international affairs, said yesterday that Japan must boost imports quickly to avoid more foreign criticism of its balance of payments surplus. He said there could be a time lag of one and a half to two years before appreciation of the yen produced the required impact on the payments balance.

Go-ahead on reactors  
The French government has formally authorized Electricité de France (EDF), to build four nuclear power reactors of 925-megawatts each at Gravelines, northern France. The reactors will use the pressurized water technology developed by Westinghouse Electric Corporation of the United States. The first reactor should be operational in September, 1979, the second in January, 1980, the third in August, 1980, and the fourth in April, 1981.

## Students opt for careers in industry

An analysis of undergraduate attitudes to future employment shows that 24 per cent had a firm intention to go into business and industry.

This is cited in an article in the Department of Employment Gazette published yesterday, as demonstrating that "any fears that students might tend to shun business and industry at a time of economic depression proved unfounded."

The analysis is based on a survey carried out in May last year by Market & Opinion Research International among 382 final-year male undergraduates in 18 universities.

One group of questions sought information on what categories of career had at some stage been considered, and also to measure the degree of seriousness.

When that seriousness was analysed in terms of intentions at the time of the survey, it was found that business and industry led the way, with 24 per cent having a firm intention to seek a career in that category, against only 16 per cent heading for academic research.

A further 33 per cent said they "could consider" going into business and industry, against 29 per cent who would consider academic research or 30 per cent the civil service.

Assessing factors influencing the choice of career, 55 per cent cited "intellectual challenge" whereas only 20 per cent cited a high starting salary.

## LETTERS TO THE EDITOR

### The right educational mix for industrial design

From Mr M. Starling

Sir, Much comment has been generated by Lord Brown's plea (October 10) for industry to give more importance to product design. It would be more simple to conclude that all that is needed is a person that combines the creative attributes of the polytechnic design graduate and the technical attributes of the engineering university graduate.

Unfortunately, our present education system makes it virtually impossible for this ideal ever to be achieved. The difficulty can be seen clearly at secondary school level where art is regarded as a waste of time for the mathematics and physics pupil aiming for university; and any pupil seriously involved in art at school is, almost by definition, not pursuing a university degree course.

This split between the two primary functions needed for efficient product design, a highly developed engineering intellect, and a marketing oriented creative talent becomes even wider at the next stage.

In fact, education, engineering courses tend to produce graduates more suited to research than product design, and industrial design courses tend to produce graduates more suited to product design and development, but generally felt by industry to be inferior to the engineering graduate.

No pupil wishing to take "A" levels in mathematics, physics and art should ever be dissuaded from doing so. The resources, teaching and facilities are there in the existing industrial design schools but there is a need for a higher level of student intake. After all, we wish to see once a very respectable profession for one's children to take up. Could it be the same for industrial design?

MICHAEL STARLING,  
School of Industrial Design,  
Royal College of Art,  
London, SW7.

From Mr G. E. P. Constable  
Sir, Mr Littlewood (October 19) in questioning standards of engineering design education has raised an important subject, but I do wish he had done so in terms that were less divisive and more constructive.

In contrast to current courses on engineering science, engineering design is then money to many educationalists. Although Mr Littlewood suggests that we should copy overseas, particularly German, engineering teaching practices, I fear

late for goods received. The big concern can use its commercial muscle to pay two to six months late, while the small company must pay monthly to its suppliers. Under these conditions, any expansion must be kept back.

A Government directive to nationalised industries, to pay small suppliers on time, would show genuine intent to help. We should be so lucky!

RICHARD BAKER,  
Managing Director,  
Hampton Video Systems Ltd,  
Heath Road,  
Twickenham,  
Middlesex TW1 4BN.

From Mr A. Spearing  
Sir, The idea of Mr Busfield ("Cutting down on waste at Companies House", October 21) has one flaw. It is less easy to follow an entry across a wide page if table spacing is changed to single spacing. Lineage can better be saved when entries are made in single spacing for five lines only, the group being followed by a blank line.

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A mass of statistics is seen best in lines of five and musical notes find their natural places against a background of—how many?—five lines.

AUSTEN SPEARING,  
4 High Street,  
Foxton, Royston.

From the British Rail Marketing Services House  
Sir, You published on October 20 a letter from Mr Jeff Lewis accusing Sealink of subsidizing car and passenger traffic in 1978 through increased rates on road haulage vehicles carried on our ships and so making British exports more expensive.

It has never been the policy of Sealink to cross-subsidize any group of traffic by excessive charges on another group. In the competitive field in which we find ourselves any attempt in this direction would only result in the overpriced traffic being diverted to other carriers. Like most other businesses

that the answer is not so simple.

In many respects it is still not clear what it is that engineering designers have to know and be able to do if they are to create new, competitive products, and this means that research is necessary to produce more teaching material and investigate appropriate teaching methods.

The teaching staff in university and polytechnic engineering departments understand very clearly the economic significance of design, and the last few years has seen an upsurge of enthusiasm on their part to tackle the teaching problems that are involved.

There are many first degree engineering courses that cover various aspects of the design process and these are now augmented by a useful set of specialist postgraduate courses. Unfortunately many industrialists are not aware of what the educationalists are trying to do and sometimes dispute that design can be taught at all.

Traditionally, engineering design skills were acquired via "apprenticeship" but there is the difficulty that the student can never learn more than Nellie knows and in many cases Nellie does not know nearly enough.

It is, therefore, essential that industry should support the earliest attempts now being made within the education system to teach engineering design and should generate a "demand pull" for appropriately qualified graduates. If this is not done the courses that are now being launched will remain mere experiments.

GROFFREY CONSTABLE,  
Head of Engineering Design,  
Design Council,  
21 Haymarket,  
London SW1Y 4SU.

From Mr J. Gestetner  
Sir, I would not disagree at all with Professor Rose's letter (October 21) on his assertion about the excellence of engineering education at British universities. What is clear is that what we miss is education specifically aimed at the manufacturing industries.

I believe it is true to say that our universities produce approximately 100 production engineering graduates per annum. Surely, for one of the major industrial countries of the world, this is hardly to be considered as adequate.

J. GESTETNER,  
Gestetner Holdings Limited,  
PO Box 456,  
London N17 9LT.

From Mr Richard Baker  
Sir, Having recently started a small electronics company, I should like to comment on the new Government scheme for helping small businesses to expand by lending them money. If this Government is interested in helping small businesses, they could forget about lending money, which anyway is available elsewhere.

Instead, they could stop borrowing our working capital, against our wishes, and interest free. I refer to the practice of big business generally, and nationalised industry in particular, of paying months

late for goods received. The big concern can use its commercial muscle to pay two to six months late, while the small company must pay monthly to its suppliers. Under these conditions, any expansion must be kept back.

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### Promoting UK goods in Tokyo

From Mr P. F. Rockwell

Sir, In January, 1976, you published a letter in which I sought to inform your readers of the magnificent facilities in Tokyo provided by the Government for use by British exporters.

I have recently participated in a second exhibition at the British Export Marketing Centre.

It is both surprising and very disappointing to learn of the apparently low level of interest being shown in these facilities by a large section of British industry. I understand that, far from there being a "queue" to stage exhibitions in the Centre, the Department of Trade has more than one opening for its next 12 months.

This is not the place for a dissertation on business prospects with Japan, but I do feel it important to register the less-than-100 per cent utilisation of this expertly managed centre which is, of course, operated at not considerable cost to us as taxpayers.

Sir, may I please use your columns to urge most strongly on those of your readers whose positions in industry enable them to influence relevant management decisions, to make full use of the amenities on offer? They are available both to individual firms and to trade associations, etc., sponsoring collective exhibitions.

Yours faithfully,  
PERCY F. ROCKWELL,  
Managing Director,  
Abrasive Tools Limited,  
Colne Road,  
Twickenham.

From Miss Stella Green  
Sir, I was intrigued by Mr Bernard Gill's letter "Attitude to the 'driver's' charter" (October 17). It left me with two thoughts.

First, readers of Michael Baskin's article, the subsequent correspondence and the report by your local government correspondent (October 3) will realise that professional drivers, as much as the British government, transport companies and unions, are opposed to the EEC driver's hour regulations.

Mr Gill's so-called "driver's charter". Any driver who may have read his letter must be saying "with friends like this, who needs enemies?"

Secondly, all your correspondents, with the exception of Mr Gill, have made plain the position of authority from which they speak and/or the interest he or she represents. Where does Mr Gill stand in this respect?

Yours faithfully,  
STELLA GREEN,  
1 Lancaster Court,  
Lancaster Avenue,  
London, SE27.

From Dr G. Meeks  
Sir, In his interesting review (October 17), Christopher Baskin argues that, even if the average level of profitability after merger was disappointing, merger might still have benefited shareholders by reducing instability. But is so drastic a measure as the merger of firms necessary in order to achieve this extra stability in the shareholder's income stream? Could not an appropriate mix of shareholdings in the two independent firms be maintained? We do, in fact, have the same end?

Yours faithfully,  
G. MECKS,  
Department of Applied Economics,  
University of Cambridge,  
Sidgwick Avenue,  
Cambridge CB3 9DE.

From Mr Richard Baker  
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we are influenced by two factors when deciding our price levels—competitors' prices and the acceptability of our prices to our customers. Both these factors are, of course, subject to the overall profitability of the business.

In the present economic circumstances—falling mortgage rates, reduced taxation, a degree of increase in earnings and a slowing down in the rate of inflation—we felt that the traditional holiday market through Britain was a very attractive proposition. This market has at best been static over the last few years. These conditions do

not apply to other of our routes, where we will be applying price increases for the private motorist.

By comparison, road haulage traffic has continued to grow even more rapidly than forecast, which suggests that the majority of our customers are not dissatisfied. We do, in fact, hold our prices for road haulage vehicles throughout 1977, despite a national rate of inflation of 16.3 per cent and the increases which will be in products in 1978 will be less than 16.3 per cent.

C. THOMPSON WALKER,  
British Rail Shipping and International Services Division.

## Interim Statement

The Chairman of Gill & Duffus Group Ltd., Mr. F. M. Gill, reports:

» 1977 Profit estimate £18 million

» Interim dividend 3.96p (6.0p gross 1976 4.0p gross)

» Board intends to recommend total dividend for year of 13.2p gross as indicated at time of rights issue (1976 8.727p)

» Group's activities continue to broaden

Estimate of profit for the year ending 31st December, 1977

	1977 (estimated)	1976 (actual)	1975 (actual)
	£000	£000	£000
Group profit	18,000	12,634	7,443
Taxation	8,500	5,537	3,405
Profit after taxation	<u>9,500</u>	<u>7,097</u>	<u>4,038</u>



BY THE FINANCIAL EDITOR

# Shifting economic priorities

It will almost certainly go better this morning. Against a ceiling of £8,700m for the Public Sector Borrowing Requirement, the mainstays of City projections had seen that it would undershoot by £1,000m-£1,500m. The Treasury now says that the PSBR was set to do so by more like £2,000m, so even after the Chancellor has added £1,000m back it only leaves PSBR where many analysts expected it to be on unchanged policies. Some might cavil at the £2,000m forecast for 1978/79 as being still too high, but this year's figures at least will undoubtedly be taken as encouraging. That said, what is the outlook for the gilt and equity markets in the coming weeks? The Chancellor was unfortunately silent on the two issues. The City most wanted to hear out, namely the money supply and exchange controls. On the former there is now a growing worry that the 9-13 per cent target growth band will be exceeded over the next few months, partly because of the re-inflows and partly because of the assurances from an emergent domestic economy. To neutralize the problem of the flows it is increasingly being argued that the Treasury will have little option but to raise the exchange rate.

That may not be helpful to financial markets. It is possible that minimum lending has only fallen to its present lowly level because of the external inflows, and if these inflows are choked off by a higher sterling exchange rate MLR might rise. Unwind money supply growth will also tend to push rates up over the coming months. There may still be scope for the 10 curve to flatten by a fall in long rates, but yesterday's measures the markets are likely to incline to the view that the Chancellor's economic priorities have been fed and that a resumption of growth rather than the fight against inflation has become the prime objective. That could be foundly unsettling.

Six weeks ago, just after the FT Index retraced the 544 peak of the previous market, I suggested that equities could within 10 per cent of their peak and that cautious investors should take some profits. A case was that interest rates had been key to the market's strength and that interest rate cycle was coming close to low point. Events since then culminating yesterday's measures have strengthened belief that interest rates are bottoming. That must provide serious food for thought in the equity market.

Meanwhile, an extra £400m for the construction industry in the next financial year is anything but a little above the sector's expectations. On the basis of total estimated activity output this year of around £1,000m it represents a boost of just under 4 per cent.

With signs of recovery already showing, it seems likely that total domestic

output can climb by as much as 15 per cent to over £16,000m without further stimulus through this would still be short of 1973 levels.

This alone is not adequate justification for the sort of run-up the leading construction shares have enjoyed recently, though the domestic market is only one aspect of a widening international picture for most leading United Kingdom-based contractors. Major groups have clearly been increasing market share while the high liquidity and extremely high dividend cover of several groups should ensure the sector retains its attractions despite the recent strength.

## Exchange controls

## Tinkering—at this stage

As I mentioned earlier, one of the most notable features of the Chancellor's speech is the omission of more measures to relax outward exchange controls. In the face of inflows on the scale of recent weeks, the estimated cost to the reserves of some £400m is peanuts.

There was, of course, no question of any radical dismantling of exchange controls at this stage. There would have been no economic justification for such a move now, quite apart from the political row that would have ensued. But there had at least been some hope that the Chancellor would announce his intention of abolishing the 25 per cent surrender rule for dollar premium investment in the near future, or perhaps some easing of the rules on direct investment in the EEC.

The fact that no such measures have emerged—though talks will presumably be taking place with Brussels on our EEC commitments to liberalize—can only increase speculation that the authorities are proposing to deal with the upward pressure on sterling in other ways.

That said, the measures that have been announced are still welcome. The raising of the authorization limit for overseas travel—largely to ease the administrative burden—and the easing of the capital transfer problems of those planning to emigrate will obviously please a number of individuals. But by far the most important item is the easing of the exchange rules for banks, insurance companies and merchants.

These are essentially businesses that make a large part of their living in international markets. To expand, and certainly to expand with confidence, they need to know that they are not going to be potentially hamstrung by any weakness in sterling or inability to match liabilities and assets in an appropriate way.

## Selling the concept of Weir & Osborn

Group's bid approach to special steel tool group, Samuel Osborn, comes when the Sheffield industry is at a low. Osborn is likely to report slightly over profits for the current year, but with many small groups requiring large units of working capital in a highly competitive business, its future has for some seemed most likely under the umbrella of a larger organization.

But, coupled with a 22½ per cent stake back from Mr Oliver Jessel's story days in the special steel sector still held by Johnson & Firth Brown, made Osborn a perennial bid stock. Osborn has grown stronger recently and has been strong buying of Osborn's, but the emergence of Weir as the rival bidder is a surprise.

It would undoubtedly be a willing at the right price—say 90p—at which would show a profit of more than £0.5m, the end of the last of its investments, and a useful cash for its own expansion working capital requirements.

At that price Weir would be getting a company which has undergone a major reorganization in recent years moving its action out of central Sheffield into a plant at Ecclestone, whose assets are per share, at a prospective p/e ratio of seven. But as a prospectus it is more than it sounds and Weir needs more to the deal if it is to spend £9m or so on a belief that this might be a useful to pick up assets on the cheap. Such

an attitude, in any case would hardly go well with Osborn, which, so far, at least has given Weir a friendly reception.

Weir knows Osborn well having bought its steel casting joint company with the old Durnford & Hadfield's, Osborn-Hadfield's, eight years ago. The joint company had not been a success, but Weir turned it round to profits very quickly. Its management may that appeal to Osborn, which has done quite well itself in recent years.

But there is no remaining logic on the foundry side (Weir is with F. H. Lloyd one of the two largest steel foundries in the country) unless Osborn changes course from its present production of tool, high speed steels and stainless steel.

There may, however, be logic in supplying of Osborn steels for Weir's pumps, valves and its water division. It will need selling out though, to convince Weir's own shareholders, particularly, as would seem possible there was at least a share option in this bid.

Osborn will have to fight if it is to gain anything on last night's share price of 83p, up 12p. It has recently been very dependent on profits from South Africa—out of trading profits of £2.7m last year £2.5m were from this source, while home profits this year will include a significant element of stock gains.

With no easy way to repeat South African profits in the United Kingdom where the market is dull, a link with Weir looks attractive—as long as it can be sold.

## CHANCELLOR'S MEASURES

### PAY: SOME IMPORTANT CLAIMS

Group	Number	Bargaining position
British Oxygen	8,000	£20 claim (30%), offered 10% + 5%—81% productivity. On strike but voting on peace formula.
Police officers	120,000	74% to 108% claim: awaiting offer.
Merchant Navy officers	43,000	17% claim, refusal of phase 2; balloting on strike action.
Firmen	30,000	£20 claim for qualified men (30%). Talks in progress.
Coventry lorry drivers	1,000	£30 claim, typical of the industry; talks in progress.
Shell, Esso and BP tanker drivers	8,500	Outline claim of 40%.
Garage workers	330,000	Substantial increase and consolidation of phases 1 and 2 and shorter working week.
Miners	240,000	Balloting on productivity deal; claim for rises of up to 93% deferred.
Engineering workers	1,300,000	Claim to be drawn up on Nov 15.
Vauxhall	31,000	Voting on 10% plus productivity deal.
British Leyland	100,000	Balloting on 10% plus new wage structure.
Local authority manual	1,000,000	Substantial claim, £50 minimum wage; awaiting offer.
National newspaper print workers	27,000	Substantial claim: certainly in excess of 10%.
Seamen	50,000	Substantial claim; reply on Nov 8.
Farmworkers	300,000	£80 minimum wage claim (up to 50%); offer awaited.
Clearing bank staff	200,000	Arbitration on 10% claim that breaches phase 2.
Heating and ventilation fitters	30,000	20% settlement challenged by Government.
Power supply workers	100,000	Claim for improved shift allowances and other fringe benefits; unofficial work to rule in power.
Supermarket shopworkers	100,000	Branches voting on 10% offer.

## Pay: what hopes for Mr Healey's 'critical assumption'?

Attention was once again focused on the fragility of present incomes policy by the Chancellor's warning on the level of pay settlements. He said that the Government would not have a confrontation over wages.

The problems elsewhere in the public sector are more complex. On the Government's own arithmetic, a limit of 10 per cent on earnings puts a ceiling of 6 per cent on the rise

over-fulfill the task. The dominant moderate group on the miners' union executive calculate that this will defuse the left-wing campaign to have a confrontation over wages.

The problems elsewhere in the public sector are more complex. On the Government's own arithmetic, a limit of 10 per cent on earnings puts a ceiling of 6 per cent on the rise

that do not yield genuine reductions in unit costs.

Since there is no monitoring of productivity bargaining, companies will find this a convenient loophole to pay more than the norm, rather than risk industrial action.

So far the Government has shown a firm hand, not to say, in dealing with the public sector. One Cabinet minister has privately remarked that the air traffic control assistants can stay out on strike until Christmas, but they will not get what they are seeking.

That kind of talk may go down well with a group of workers with little experience of power bargaining. It fits less easily with the difficulties that British Leyland faces in its attempt to bring some order into the chaos of its wages structure.

Leyland workers are voting on a package of measures designed to cut out inter-plant rivalry, gear output to pay and solve the conflicting claims of skilled men and those on the production line.

As an essential part of the package is a 10 per cent increase all round from November 1. This necessarily breaches the 12-month rule and the permission of ministers and the TUC to let it through the net will be sought.

Clearly, the Government will have to choose whether to make Leyland Cars one of the "isolated breaches" or risk the gradual collapse of a domestic motor industry.

The TUC appears to be almost as satisfied with the present state of negotiations as the Government. Mr Len Murray, the general secretary, said after yesterday's meeting of the general council: "I'm happy with the way collective bargaining is developing. And I'm surprised, but not entirely surprised, that there is obviously a surge of commonsense in which even the Government are participating."

We were never impressed by threats and sanctions. We don't think that this was the right way to go. I would hope that the level of understanding that has been shown by trade unionists generally in their settlements will do more to convince the Government that sanctions are neither necessary nor helpful."

The TUC is less interested, of course, in a pay explosion than in sustaining its special relationship with the Government. The unions' shopping list of legislative reforms grows no shorter and excessive wage settlements that discredit the Callaghan administration in the long run-up to the next general election would be the shortest way to argue that unique cockpit of influence.

Paul Routledge

"I would hope that the level of understanding that has been shown by trade unionists generally in their settlements will do more to convince the Government that sanctions are neither necessary nor helpful"

Mr Len Murray  
TUC General Secretary

in basic rates for local authority manual workers—the "dirty jobs" workers.

But there is more in the equation than the pay packet. Public service union leaders are pressing the Government to reverse its policy of cutting public expenditure, to permit a large increase in employment. They may be willing to abide by the earnings limit if the Cabinet restores spending programmes cut by the Chancellor to appease the International Monetary Fund.

There is, however, a further catch. Public service workers are among the lowest paid and they are a negotiating priority for the TUC. Two big unions—the Transport and General Workers' and the National Union of Public Employees—are committed to a £50 a week minimum wage, a rise of £11.50 on the present bottom rate.

It can most groups in the public service have recourse to that traditional standby of relaxed collective bargaining, the productivity deal. After two years in cold store, this is now rapidly becoming the safety-valve for pay unrest—so much so, that the EEF last week strained last week to issue guidance to member companies warning them to be on their guard against "bogus" schemes

The EEF last week reported more than a hundred settlements at the 10 per cent level and predicts that industry will make the line if the Government does.

The engineering employers also argue that "isolated breaches" of the guidelines will not destroy the policy. That, of course, depends where the breaches come and what they are.

If, as seems likely, the miners reject the self-financing productivity deal they are now voting on, they will have to take up the cudgels on their customary inmoderate proposal for rises of up to 93 per cent, which at present is lying on the table. All bets on the behaviour of public sector wage bargaining will then be off.

But that is not expected. Despite a ferocious campaign in Yorkshire against the pit industry scheme, and the usual charges and counter-charges of deception, the Coal Board is relying on the cumulative effect of two years of pay restraint to break down rank-and-file mistrust of anything that smacks of a return to piecework.

The deal is worth £23.50 for face workers who complete 100 per cent of an agreed weekly output target—and more if they

with the first hearings in December.

There will be 16 committee members besides Sir Monty. The former chairman of British Steel. His strong personality will undoubtedly be needed to weld together the series of sub-groups of the committee likely to be set up to cope with all the complex issues.

It cannot have been easy, after two years of quarrels among members of the Council of Engineering Institutions (CEI) to find committee members from the profession who have not been identified with one of the various factions within the profession.

At any rate old disagreements are not likely to be raked over in public at the inquiry hearings, because these are now expected to be in private. Sir Monty is setting particular store by a series of regional

conferences which the CEI is organizing, but open to all engineers, as a means of testing opinion, especially among the technician engineers.

His aim is to start drafting the final report by the end of next year. So far there are no plans for an interim report.

Jean-Paul Lacaze, Secretary General of the Interministerial Commission for the Development of Languedoc-Roussillon, was in London last week to drum up British investment in that long stretch of coastline between Côte Vermeille near the Spanish border and the Carmargue.

The brainchild of General de Gaulle, the scheme is almost two thirds complete and 800m francs worth (about £94m) of coastal property has been sold to private investors.

The Interministerial Commission still has some 400m francs worth to sell, though, and much depends on attractive overseas customers. British hoteliers, for example, remain stubbornly uninterested because they claim the "season" is too short.

Attempting to lengthen the selling period, Lacaze and his colleagues have turned their attention to year-round activities, mainly golf. The French have less time for the fascinations and frustrations of this sport than the British.

Scottish and Newcastle Breweries' experiences on the St Cyprien golf and residential complex near the eastern end of the development show that the route has been fraught with dangers. In 1976, the Edu-

burgh-based "Tartan" beer group reckoned that its drain on cash flow and profits might run into "hundreds of thousands sterling" for at least two years to come.

Yet S & N is now said to be out of the wood and perhaps back on to the fairway, while French interest in wedges and nibblies might be increased by the decision of the French golfing authorities to hold the 1978 Open in St Cyprien.

If leisure pursuits tell us something about national characteristics, the French may have to change their traditional views of those supposedly recalcitrant Anglo-Saxons. One of the few United Kingdom investors in Languedoc-Roussillon is an unidentified group of British bankers based in the Channel Islands. They have built a nudist resort called Aphrodite through a company called La Voie d'Eau.

Industrial democracy, we hear, merits a cross-reference to "democracy" and "participation" in the Fontaine Dictionary of Modern Thought, edited by Alan Bullock and Oliver Stallybrass, which was published this week. But Bullock—otherwise Lord Bullock—who headed the committee which reported on industrial democracy, said yesterday that he thought of adding an entry only "at the last moment". He wrote the item himself, but says that they give no clue to his own views. What would he give our clue yesterday.

## Avoiding a collision

One result of yesterday's statement by the Chancellor must be to increase still further the general scepticism about economists' ability to "manage" the economy. Another huge revision in the public sector borrowing requirement (PSBR) for the year that is already half over shows how difficult it is to run the economy within a framework of financial forecasts.

The International Monetary Fund placed the PSBR in the centre of government economic policy last year. This year there have been three budgets. The measures in each have aimed at "correcting" the drastic undershoot on the government's agreed borrowing ceiling.

In part the mere setting of the ceilings, in conjunction with the targets for monetary growth, have led to this undershoot. One main reason for the latest £2,000m cut in the forecast for PSBR this year is that the sharp fall in interest rates has slashed the cost of borrowing and so the cost of government's spending on debt interest.

The drop in interest rates was itself a reaction to the Government's commitment to the DMF ceilings. This has changed the market's view of Britain's financial health, and in particular the prospects for the pound, that overseas money has been pouring into the country ever since.

There is little in this package to change the foreign exchange markets' apparently insatiable desire for sterling—at least at first sight. Indeed, some dealers were maintaining that the Chancellor was merely

clearing the decks yesterday for a later change in exchange rate policy. There are two different kinds of reason for supporting a higher exchange rate. One is simply that market pressure requires it.

The external objective of a stable exchange rate and the internal objective of controlled growth of the money supply are put on collision course if foreign exchange markets believe that a rate must go up, September's rapid increase in the money supply put the annualized rate of growth so far this financial year at the top end of the 9-13 per cent target range. More than four fifths of the increase in the month was a result of the rush of money into the country.

It is fairly obvious that most of the funds flowing in have been in search of a quick profit, or a safe home for the time being while the American dollar is falling. The time horizon of foreign exchange dealers is necessarily short and, with the balance of payments coming into surplus, the Government firmly committed

to money targets and inflation coming down, sterling is a safe short-term bet.

The more determined the Government seems to be to keep its money targets, the greater the chance for the dealer to make a profit on an appreciation. For this implies that if the crunch comes between the external objective of a stable pound and the internal objective of money growth between 9 and 13 per cent the first will be the one to go. Hence the money rushes in and speculation is self-fulfilling.

Lower interest rates to choke off the overseas funds can endanger the money targets by increasing domestic demand for money; higher interest rates to curb the latter may merely encourage further inflows.

However, the latest revision in the PSBR puts a distinctly different light on the market's view that collision is imminent. The lower financing needs of the public sector will help monetary management this month, as will the large sales

## Economic notebook

By Caroline Atkinson

of gilts and of other public debt such as National Savings certificates.

Also, if the Government manages to sit on the pound in the near future, the market may not be nearly so sure that sterling will eventually be allowed to rise.

There is a large body of opinion which favours an appreciation in the rate for economic reasons rather than simple expediency. The "international monetarists" argue that this would set off a virtuous circle of slower inflation and appreciation with no long-term effect on competitiveness.

But the majority of the Government and its advisers have rejected this analysis. The Chancellor said yesterday that his prime objective must now be to bring down the high level of unemployment.

If sterling goes up, more of the increased spending power given by yesterday's measures will go on imports and less on home production. The damaging effect of a higher pound will not encourage British industry to invest or to employ more workers.

Yesterday's official projections for next year's balance of payments are below those of most other forecasts. If the economy picks up sufficiently to wipe out, or at least cut down, the expected current account surplus next year, and in future years, the upward pressure on the pound must eventually die down.

Instead of giving the balance of payments a boost, benefit of North Sea oil to employed consumers in the form of cheaper imports, more will go towards giving jobs to the unemployed and profits to industry.

It is difficult to believe that the present pressure on sterling, which represents a "fundamental disequilibrium" in the exchange rate when unemployment at 6 per cent and widespread spare capacity in industry testify to the great disequilibrium at home.

## Telephone Rentals

OPERATING & SERVICES

### Interim Statement for the Half Year ended 30th June, 1977

On the 26th October the Directors declared an Interim Dividend of 6.1432% (1976 5.5%) on the Ordinary Share Capital in respect of the year to 31st December, 1977, absorbing £596,047 (1976—£533,640). In addition, a supplementary Final Dividend in respect of 1976 of 0.2365% on the Ordinary Share Capital, absorbing £22,987, has been declared to take into account the change in the basic rate of Income Tax. These dividends are payable on the 7th December, 1977. To the shareholders on the Register at the close of business on the 11th November, 1977.

The Consolidated Profit Statement (unaudited) of the Group for the six months ended 30th June, 1977, is as follows:—

	1977 £000's	1976 £000's	Year 1976 £000's
Half Year to 30th June			
Turnover:			
Rental	8,613	7,882	16,207
Sales and other	6,218	5,218	13,290
	14,831	13,100	29,497
T.R. Group Profit before Taxation	4,569	4,026	9,013
Less: Estimated Taxation	2,355	2,058	4,633
Group Profit after Taxation	2,214	1,968	4,380
Less: Minority Interests	23	18	47
Balance of Profit attributable to Telephone Rentals Ltd.	2,191	1,950	4,333
Depreciation:			
Amounts charged in arriving at above Profit	1,721	1,516	3,029
Taxation:			
United Kingdom	1,391	1,230	2,436
Overseas	312	322	787
Deferred Taxation	652	506	1,410
	2,355	2,058	4,633

The figures for the 6 months to 30th June, 1976, have been amended for comparative purposes to allow for adjustments made in the Annual Accounts for 1976 and include the effect of variations in foreign exchange rates during that year. United Kingdom taxation has been based on a Corporation Tax rate of 52% in both years.

Group Profits before Taxation for the first half of 1977 show a satisfactory increase of 15.48% compared with the first half of 1976. Both new Rental and Sales business taken during the first nine months of this year show a very satisfactory increase over 1976's figures at this stage although some slowing down is now becoming evident.

Owing to general industrial uncertainties it will be difficult during the second half of this year to exceed the good results produced during the second half of 1976. However, your Directors expect that the results for the year as a whole will show an improvement over those obtained

## Business Diary: Mettlesome twosome • Making sweet music

newcomers to the world—David Harris and David Williamson—been ruffling some ruffles at the London Metal Exchange.

■ Brace yourself. This week-end 5,000 Sweet Adelines—a four-part harmony organization for women on the lines of the barbershop quartet—will be arriving in London for their international convention next week.

The women, representing more than 30,000 members across America, Canada, England, Saudi Arabia and the Panama Canal zone, will be entertaining themselves—and us, too. There is for instance, a huge free concert in Kensington Gardens on Monday lunchtime.

But the Adelines also say: "If you see four smiling friendly faced ladies who happen to be dressed alike, the chances are they are Sweet Adelines. Ask them to sing to you."

Meanwhile, the London Convention Bureau is showing off the facilities of the city to another group, of men this time, in the hope that their organization will choose London as the venue for its 4,000-delegate convention five years hence.

They are Millard Granger, secretary and programme director of the Million Dollar Round Table, a "blue chip" American association.

MDRT, founded in 1927, comprises more than 12,000 life underwriters, representing 35 countries and

the producers, such as Rio Tinto-Zinc and Norsk Hydro, who fear that the producer pricing system will be upset.

■ Competition from other would-be hosts is tough, but Geoffrey Smith, director of the London Convention Bureau, said yesterday that hoteliers had responded admirably to his urgent call for details of accommodation.

As he says: "Despite the tourism boom, meetings like this are essential. Tourism comes and goes: conventions go on."

Why are people from the State of Indiana called Hoosiers, we asked Geoffrey Smith, director of the London Convention Bureau, a quick answer. Quoting from King's Handbook of the United States, published in 1891, he says of Indiana: "The pet name is the Hoosier state: from Hoosiers, the huge white or Indian bullies who could hush one to an endless sleep; or from a frequent local phrase, 'Who's yer?'"

■ The long search for people to join the government committee of inquiry into the engineering profession headed by Sir Monty Finniston seems to be virtually over.

It had been hoped to announce the committee members early this month. This announcement is now confidently expected in November

countries and territories and more than 400 life insurance companies. One of the membership requirements is to write and be able to claim personal credit for \$12.5m of life insurance on a minimum of 15 policies in one year.

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Progress



This Offer for Sale constitutes an offer only in the United Kingdom. No person receiving in any other territory a copy of this Offer and/or an Application Form may treat the same as constituting an invitation to him nor should he in any event use such Application Form unless in the relevant territory such an invitation could lawfully be made to him without compliance with any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy himself as to full observance of the laws of the relevant territory in connection therewith, including the obtaining of any government or other consents which may be required or other formalities needing to be observed or other taxes requiring to be paid in such territory.

The Application Lists for the shares now offered will open at 10 a.m. on Thursday, 3rd November, 1977 and will close at any time thereafter on the same day.

**J. Henry Schroder Wagg & Co. Limited and S. G. Warburg & Co. Ltd.**

on behalf of

**Imperial Chemical Industries Limited**

**OFFER FOR SALE**

**130,852,037 Ordinary shares of 25p each**  
in

**Imperial Metal Industries Limited**

(incorporated in England under the Companies Act 1948 No. 714275)

**at 52p per share payable as follows:**

On application 25p per share  
Not later than 3p.m. on 13th January, 1978 27p per share  
52p per share

The shares now offered are sold with the right to all dividends and distributions hereafter declared, paid or made on the Ordinary share capital of Imperial Metal Industries Limited ("IMI") including any final Ordinary dividend in respect of the year ending 31st December, 1977.

The whole of the issued Ordinary share capital of IMI, including the shares now offered, is listed on The Stock Exchange. Applications, which will be irrevocable and which must be made on the accompanying Application Form, must be for a minimum of 500 shares, in multiples of 500 shares for applications up to 5,000 shares, in multiples of 1,000 shares for applications for more than 5,000 and up to 20,000 shares and in multiples of 5,000 shares for applications above 20,000 shares.

Each application must be accompanied by a separate sterling cheque or banker's draft drawn in accordance with the instructions on the accompanying Application Form. The right is reserved to present all cheques and banker's drafts for payment on receipt, to retain Letters of Acceptance and any surplus application money pending clearance of applicants' cheques and to reject any application or to accept any application in part only. Completion and delivery of an Application Form accompanied by the necessary cheque will constitute an undertaking that the cheque will be honoured on first presentation and attention is drawn to the declaration in the Application Form to the effect that the applicant understands this to be the case. Completed Application Forms and accompanying cheques or banker's drafts should be forwarded to the bank indicated on the Application Form so as to arrive not later than 10 a.m. on Thursday, 3rd November, 1977.

In the event of the Offer for Sale being over-subscribed, preferential consideration will be given to applications received from Ordinary stockholders of Imperial Chemical Industries Limited ("ICI") to whom special pink Preferential Application Forms have

been sent and also to applications received from Ordinary shareholders of IMI to whom special blue Preferential Application Forms have been sent, providing such applications have been made on those forms. Depending on the level of applications, a greater degree of preference will however be given to applications from Ordinary stockholders of ICI.

Letters of Acceptance will be despatched to successful applicants by post at their risk. If an application is not accepted, the amount paid will be returned in full and if any application is accepted for fewer shares than the number applied for, a cheque for the balance of the amount paid will be sent, in each case through the post at the applicant's risk.

Letters of Acceptance will be renounceable (in accordance with the instructions thereon and subject to payment not later than 3 p.m. on 13th January, 1978 of the final instalment of 27p per share) until 3 p.m. on 27th January, 1978. Default in payment of the final instalment in respect of any shares comprised in any Letter of Acceptance will render the amount previously paid liable to forfeiture and the acceptance to cancellation. Interest at a rate of 3 per cent. per annum over the Bank of England's Minimum Lending Rate prevailing at the close of business on 13th January, 1978 may be charged on any overdue amount which may be accepted.

Dealings in partly-paid form are expected to commence on The Stock Exchange on the business day following the posting of Letters of Acceptance.

The Ordinary shares comprised in fully-paid Letters of Acceptance will be registered in the name(s) of the person(s) entitled thereto under the terms of the Letters of Acceptance. ICI will arrange for the payment of transfer duty and share certificates will be available for issue from 10th March, 1978.

Copies of this Offer for Sale document and Application Forms for use by members of the public can be obtained from the underwriters:-

**J. HENRY SCHRODER WAGG & CO. LIMITED,**  
120 Cheapside, London EC2V 6DS.

**S. G. WARBURG & CO. LTD.,**  
30 Gresham Street, London EC2P 2BB.

or from the brokers to the Offer for Sale:-

**HOARE GOVETT LIMITED,**  
1 King Street, London EC2V 8DU.

**PANMURE GORDON & CO.,**  
9 Moorfields Highwalk, London EC2Y 9DS.

**ROWE & PITMAN, HURST-BROWN,**  
City Gate House, 39/45 Finsbury Square, London EC2A 1JA.

**J. & A. SCRIMGEOUR LIMITED,**  
The Stock Exchange, London EC2N 1HD.

or from the receiving banks to the Offer for Sale:-

**BARCLAYS BANK (LONDON AND INTERNATIONAL) LIMITED,**  
New Issues Department, P.O. Box 123,  
2 London Wall Buildings, London EC2P 2BU.

**NATIONAL WESTMINSTER BANK LIMITED,**  
New Issues Department, P.O. Box 79, Drapers Gardens,  
12 Throgmorton Avenue, London EC2P 2BD.

or from the principal branches of Barclays Bank Limited, National Westminster Bank Limited and Bank of Scotland.

## History and Business of IMI

IMI was formed in 1962 when ICI's metal interests (formerly ICI's Metals Division) were reconstituted and vested in IMI. These comprised ICI's interests in non-ferrous metals (other than aluminium) and other allied fields including ICI's 50 per cent. interest in Yorkshire Imperial Metals Limited. In March 1966, 10 million new Ordinary shares in IMI, representing 10.4 per cent. of the enlarged issued share capital, were offered for sale to the public. As a result of rights issues, together with a number of issues in connection with acquisitions, the issued share capital has increased to 208,391,677 Ordinary shares. ICI's holding therein amounts to 130,852,037 Ordinary shares (approximately 62.8 per cent.) and these are the shares now being offered for sale.

Upon formation, IMI's activities were primarily the fabrication of non-ferrous metals and the manufacture of zip fasteners, sporting ammunition, heat exchangers and other engineering products. Since then IMI has made the following principal acquisitions, each of which represented a logical extension of its activities:-

	Activities
1965 Range Boilers Limited	Hot water cylinders
1967 Wolverhampton Metal (Holdings) Limited	Copper refining
1968 The Yorkshire Copper Works (Holdings) Limited, owning the outstanding 50 per cent. interest in Yorkshire Imperial Metals Limited	Copper-based tubes and fittings
1971 Enots Limited	Fluid power
1972 Norgren Shipston International Limited and C.A. Norgren Co. (U.S.A.)	Fluid power
1973 Mecafrance S.A. (France)	Valves
1977 Mapegaz-Remati S.A. (France)	Valves

In 1965 IMI's zip fastener interests in the United Kingdom, France, West Germany and Austria were merged with those of the Opti Group of companies in West Germany, the Netherlands and the United Kingdom to form the LF/Opti Group. This Group, in

which IMI has overall a 50 per cent. interest, has since expanded in many countries.

IMI now has over 100 operating subsidiaries and at the end of 1976 employed more than 32,000 people throughout the world, of whom about 26,500 were employed in the United Kingdom at over 60 manufacturing plants. IMI's headquarters is at the Group's largest manufacturing site in Witton, Birmingham. The main overseas manufacturing plants of subsidiaries and associates are located in France, West Germany, Spain, Austria, the United States of America and Australia.

Copper is the most important of IMI's raw materials, not only quantitatively, but because its use, in one form or another, links many IMI production units.

IMI's external sales in 1976 were £404 million in the following broad product areas:-

	£million	per cent.
Building products	83	20.6
Heat exchange	41	10.1
Fluid power	28	6.9
General engineering	84	20.8
Zip fasteners	55	13.6
Refined and wrought metals	113	28.0
	404	100.0

For the purpose of this table, sales of refined and wrought metals shown above exclude £63 million in respect of copper and copper alloy tubes, which are included, as appropriate, under building products and general engineering.

Sales in 1976 to external customers overseas amounted to £148 million, representing some 36.6 per cent. of total external sales. Of these, direct exports from the United Kingdom were £73 million, mainly in general engineering and refined and wrought metals. External sales of products manufactured by overseas subsidiaries were £75 million, principally zip fasteners, fluid power and general engineering products.

Further financial information regarding IMI is set out in Appendix I. The text of the Interim Report of IMI for the first half of 1977 is set out in Appendix II.

## Letter from the Chairman of IMI

The following is the text of a letter received by J. Henry Schroder Wagg & Co. Limited and S. G. Warburg & Co. Ltd. from the Chairman of IMI in connection with the Offer for Sale:-

Witton, Birmingham, B6 7BA,  
18th October, 1977.

The Directors,  
J. Henry Schroder Wagg & Co. Limited and S. G. Warburg & Co. Ltd.

Dear Sirs,

You have asked me to write to you in connection with ICI's decision to sell all the Ordinary shares which it holds in IMI.

In the course of making its decision, ICI consulted the IMI Board on its reaction to a possible sale. We were able to reply that in our view it would be to the benefit of our business and in the long term interests of our shareholders and employees. I am confident that the time has now come when complete independence from ICI will facilitate the freedom of action and stimulate the further progress of IMI. I shall be writing to all IMI shareholders to tell them that my colleagues and I on the IMI Board welcome ICI's decision without reservation.

IMI has capital employed of over £200 million and ranks on a turnover basis in the top 100 United Kingdom companies. It is one of the principal non-ferrous metals manufacturing companies in the United Kingdom, and has substantial interests in general engineering, building products, heat exchange, zip fasteners and fluid power. I believe that IMI has demonstrated an ability to manage these activities profitably, even in an unhelpful economic climate, and to generate growth, both organically and by acquisition. IMI's interests lie in business areas different from those of ICI and are founded on design and manufacturing techniques unrelated to theirs. Effective management and development of these interests has required the development of an organisational structure, technical expertise and an overall business approach not based on those of ICI. I believe that the time has come when our links with ICI have ceased to contribute materially to the strength and success of IMI, and that after severance of these links we shall be able to continue building on our success in our particular business environments.

The IMI Board intends that there will be no redundancies or changes in employment prospects within IMI as a result of the sale and that conditions of

employment within IMI companies at home and abroad will be unaffected.

Sales and purchases between ICI and IMI are not large and are conducted on an arm's length basis. IMI is already managed independently of ICI and makes little use of ICI's specialist services. Such services as are used will be replaced on an orderly and agreed basis. IMI is financially independent of ICI and has sufficient financial resources for its present requirements. IMI's capital expenditure programme will be maintained at home and overseas. Our relations with suppliers and customers will continue to be based on the trading record and reputation of IMI itself and of its subsidiary companies.

In August, I announced pre-tax profits for the first half of 1977 amounting to £18.0 million. I then made no forecast for the second six months, but indicated that it was unlikely that this year there would be a repetition of last year's profit growth between the first and second halves. In the last six weeks, we have experienced a small downturn in order intake in some business areas. We have in general been encouraged by the progress we have made towards settlement of our autumn wage claims but, in the course of this, one or two manufacturing units have gone through a period of industrial unrest. Our current expectation is that pre-tax profits in the second half-year will fall below those achieved in the first half. For the year as a whole, however, I am confident that, in the absence of unforeseen circumstances, we shall be able to report pre-tax profits somewhat higher than the record level achieved in 1976 and our intention is to recommend payment of the maximum final dividend permitted under current Counter-Inflation legislation which, like the interim dividend already paid, will be approximately 10 per cent. higher than that paid in respect of 1976.

Yours faithfully,

MICHAEL CLAPHAM  
Chairman

The assumptions on which the statements by the Chairman of IMI relating to pre-tax profits for the year ending 31st December, 1977 are based and a note relating to copper stocks are set out in paragraph B of Appendix III.

## Stock Market Quotations

The highest and lowest recorded dealings on The Stock Exchange for the Ordinary shares of IMI during the years 1972 to 1977 (as adjusted for the rights issue in March, 1976) were as follows:-

	Highest dealing	Lowest dealing
	p	p
1972	101.4	76.6
1973	85.5	34.6
1974	45.3	18.2
1975	48.6	19.6
1976	59.3	33.0
1977 (to 17th October, 1977)	69.5	44.0

The middle market quotations on The Stock Exchange as derived from the Daily Official List for the Ordinary shares of IMI on the first dealing day of each month from May to October and on Monday, 17th October, 1977 (the latest practicable date before printing this document) were as follows:-

	p
2nd May, 1977	58
1st June, 1977	60
1st July, 1977	58
1st August, 1977	58
1st September, 1977	64
3rd October, 1977	64½
17th October, 1977	60

## Dividend Yield

On the basis of the rate of Ordinary dividend in respect of the year ending 31st December, 1977, which the Chairman of IMI has indicated in his letter set out above that the Directors of IMI intend to recommend,

the gross dividend yield on the Ordinary shares of IMI at the Offer for Sale price of 52p per share will be 9.6 per cent.

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## FINANCIAL NEWS AND MARKET REPORTS

## Stock markets

## Muted response to the Healey package

The small amount of stock high came on offer in late trading well illustrated the muted response to the Chancellor's long awaited package.

There was an air of anti-climax in late inter-office dealing as even though dealers conceded that they had got most of what they were looking for, they were quick to point out, though, that the institutions, though not unexpected incentive, were likely to take time to consider their investment policy now the measures are out. The glib-edged market did not open after the official close, the general feeling was that interest stocks stand to move more from the measures in equities.

The particular "bull" point that in deciding to continue

**BP Bulmer & Lumb shares** ad to go anywhere yesterday but could do so soon. The share for the half year was due in a week. The hopeful talk of its soaring from £1.4m in 1976 to £3.5m in 1977, with a 20% increase in 1978, was being heard at the interim stage, the news would obviously go for Sanderson Murray nearly a tenth of the

ing the pound the Char- is unlikely to reverse the trend in interest rates. But the pessimistic view that the money supply is in a state of control, after long dashed stocks were to five-eighths better on a demand and its confidence expected that they will

## Problems abroad put PB below best hopes

By Alan Appleby  
B Industries, the building materials, paper and packaging, P, disappointed most market-makers with a pre-tax profit of £14.9m, just £500,000 in last year. Group sales up by 15 per cent to £7.1m, and the gross margin is raised from 5.15p to 7.6p.

A overall profits picture is of strength at home but weakness abroad. United Kingdom building materials profits from £5.6m to £7.7m, an increase of 10 per cent, in a year when volume and fewer new starts.

Norman Barrow, chairman, says profitability was maintained throughout this sector, a factor for wood chipboard was a factor by several turns in the market and local troubles at a new in Scotland that resulted in £600,000 loss.

France building materials fell from £2.8m to £2.6m, in both

## Twenty-first peak in sight Telephone Rentals

Director Felstead d results for the twenty-year running seem likely to be a record. Britain's telephone rental company, the first business company to be listed on the London Stock Exchange, has reported a turnover of 13.2 per cent at £14.83m in the first half of this year, pre-tax profit by 13.4 per cent to £1.4m. A breakdown of turnover shows that rental was up £7.88m to £8.61m, while from "sales and other" ded from £5.21m to £1.1m. Both new rental and business taken in the first months of this year show a satisfactory increase. 1976 figures at this stage, though some slowing is now becoming evident, use of "general industrial" will be a factor for TR during the half to exceed the good of the last half of 1976.

## oves at D Dixon, Halma

D Dixon slipped to yesterday after the news of Malcolm Horsman's exit from the share register. Now, the company's share price is 307,000 shares or 15 p. But for every seller, a buyer. Further into goes Davis Investments. It has bought 100,000 shares to add to its existing 10,000. So Davis is a total interest of 5.38 p. Elsewhere, the director, Halma (safety systems, introl, engineering) say Blue Boar (Channel) has agreed to sell its holding of 25.47 p. It is going at 41p, a 15 per cent premium on its book value and engineering group using.

**IT HOLDINGS**  
IT Holdings issued a statement in which it stated that the company is a subsidiary of the Department of Trade and Industry.

**£300 £30**  
**ELEX COSTS**  
your annual overhead to £4 by using our Elex Sharing. Send and receive Telos for £1.95 (plus postage). May we send our 05 4442-01-04 5011 British Monomarks (Est 1925)

and Boots which formed a point to 237p. For similar reasons, Samuel's gained 5p to 235p while another 15p to 440p. Sanderson Murray added 3p more to 39p on comment. Though the £400m to be pumped into the building was rather more than sections of the market had expected it was not well received. Taylor Woodrow closed no less than 14p down to 484p. Laing 'A' lost 12p to 135p, Mowlem dipped 5p to 135p and Costain 4p to 322p.

Among the "blue chips" Glaxo had another good day on revived hopes of a move to its new site. The shares ended 12p up to 645p and

## Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
Int or Fin	£m	£m	per share	pence	date	total
All & Duh Con (1)	6.5(7.7)	0.11(0.27)	6.34(11.43)	4.76(4.8)	3/1	—(5.2)
Amal Power (1)	2.6(2.8)	2.9(1.1)	13.71(5.89)	2.64(1.12)	3/1	—(3.6)
Assan-Denar (1)	—	2.1(0.8)	—	9.5(3.5)	25/11	9.5(3.5)
Boosey & Wicks (1)	8.4(7.0)	0.93(0.90)	—	3.8(3.4)	—	—(6.8)
BP Ind (1)	139.0(121.0)	13.2(13.6)	16.5(16.5)	3.5(3.4)	—	—(4.0)
Com Inter (F)	1.2(0.38)	0.15(0.06)	9.3(4.3)	3.5(1.4)	—	—(2.8)
Com Inter (F)	0.6(0.55)	0.05(0.05)	—	1.7(1.2)	—	—(2.4)
Ellis & McHardy	8.9(7.4)	0.23(0.21)	—	0.9(0.8)	—	—(3.0)
Francis & Tait (1)	15.4(12.8)	0.68(0.47)	4.9(3.8)	4.78(3.12)	4/1	8.7(5.7)
Gill & Duffus (F)	23.5(22.2)	2.0(1.9)	2.49(2.71)	2.1(2.0)	6/1	3.0(2.7)
Harley & Baird (F)	1.5(1.4)	0.11(0.08)	—	1.35(1.22)	7/12	—(4.5)
Hopkinson (1)	16.2(15.6)	1.69(2.0)	—	0.9(0.7)	25/11	12.0(7.36)
Johns & Co (F)	4.8(1.7)	0.40(0.94)	3.2(7.3)	—	—	—(1.0)
Lankro Chem (1)	28.5(24.0)	17.8(28.3)	0.89(1.48)	0.5(NH)	25/11	10.0(3.8)
Lend Lease (1)	1.19(1.14)	0.05(0.002b)	2.4(0.09)	0.30(0.29d)	—	—(1.6)
Loughborough	2.7(1.2)	0.02(0.04)	—	0.75(0.75)	13/12	—(1.6)
N Broken Hill (1)	1.3(1.58)	1.71(1.1)	16.5(14.5)	1.65(NH)	17/12	—(2.9)
Parafin (1)	—	0.09(0.02)	4.6(0.3)	1.45(1.15)	—	—(2.7)
Shiloh Spinning (1)	9.7(11.5)	0.09(0.02)	—	0.82(0.81)	1/2	6.4(—)
Speedwell Gear (F)	1.6(1.3)	0.80(0.82)	—	1.5(1.3)	7/12	—(2.8)
Sphere Inv Trst (1)	—	0.05(0.5)	—	5.24(4.6)	25/11	5.24(4.6)
Star Offshore (1)	6.9(4.0)	4.4(4.0)	10.26(8.66)	—	—	—
Tele Rentals (1)	14.8(13.0)	0.65(0.56)	—	—	—	—
Trust Union	—	2.4(0.32)	—	—	—	—
W. D. & H. O. Wills	—	—	—	—	—	—

Dividends in this table are shown on a gross basis. To pre-tax and earnings are net. a Forecast, b Loss, c To reduce disparity, d Cents.

## Dollar Land chairman lifts gloom

Long ago Dollar Land was a way for British investors to invest in American real estate. It has, however, been involved in costly legal tangles as far back as anyone can reasonably remember.

The latest, missive from Mr. F. J. H. Brackett, chairman, is a familiar ring, but a not unpleasant one. He tells shareholders that the company has now been given in New York on the last nine years of litigation.

He concludes: "It is fair to say that what has occurred in the last year represents a significant advance in the search for a solution of the troubles of the Group."

"It would be quite wrong, however, to claim that the present situation represents more than a stage from which further progress must be sought."

In 1968 the group's United States subsidiaries agreed to sell to another group called Brook Street Properties, the best known was and is Cross Country Center, Yorkers, New York. But a group of powerful shareholders led by the late Mr. Sol C. Adams began proceedings to have the sale set aside.

Mr. Justice Burchell has apparently upheld the contract, but the final consideration has still to be calculated; a provisionally indicated sum of \$4,200,000 is far less than debts to be repaid; and further litigation is being considered.

## Flat chemical market hits Lankro

A flat industrial chemicals market, envisaged at the time of the annual meeting, has left Lankro Chemicals Group with more than halved pre-tax profits.

Despite a 20 per cent rise in turnover to £28.2m the group could only manage a profit of £409,000 pre-tax against a previous £948,000. This leaves margins drastically cut from 4 to 1.4 per cent.

And there are no signs yet of any upturn in the second half. Chairman Mr. Francis Russell warns that profits at the year end will not reach the previous £1.7m level.

Interest in the six months rose from a previous £298,000 to £445,000.

Lankro is currently the subject of a £1.4m agreed bid from the American Diamond Shamrock Corporation. No dividend has been declared since, under the terms of the offer, this would accrue to Diamond.

## ASARCO runs into loss in third quarter

ASARCO Inc, a major non-ferrous metals producer, reports in New York a net loss for the third quarter ended September 30, 1977, of \$11.7m, compared with \$30.43m (\$1.4 for the first nine months against \$86.17m).

The third quarter loss is blamed chiefly on the copper workers' strike and a substantial weakening of copper and zinc prices.

## Spillers hit by bread strike and discount lift

By Ray Maughan  
In addition to the gradual decline in bread sales, the baking industry has suffered two critical blows this year. The decision to terminate discount control has already hit results and the effects of the bakers' strike in September will leave profits "significantly short" for the year as a whole.

The meat division, affected by a shortage of domestic cattle, a sharp drop in beef consumption and a poor market for New Zealand lamb, turned a substantial loss into a profit. Bakery performance reflected the severe margins' erosion stemming from the trade's decision to lift the previous maximum retailers' discount from 22 per cent to about 27 per cent. The meat division shipped further into the red.

Other operating divisions performed well and pre-tax profits as a whole climbed from £5.68m to £6.03m. But they are unlikely to maintain the previous level of £16.01m for the year to January 29th.

Bread consumption has been falling by between 1 to 2 per cent over several years and the trend is always accentuated by a strike. The September stoppage has led to domestic sales 5 per cent down on pre-strike levels, and Spillers' chairman, Mr. Michael Vernon, believes they will never quite recover.

The impact of lower volume combined with rising wheat prices has led to a significant price increase. December if the industry is to resume profitable trading and Mr. Vernon will be pressing for an increase of 3p per standard loaf.

Given the fluctuations of the United Kingdom meat market—divisional results in the second half are expected to return to normal but will not recoup the first-half shortfall—and the long-term decline of the baking industry, it is no surprise that Spillers and other bread manufacturers are turning abroad. The group has recently agreed to pay £11.1m for Modern Maid, the leading United States food coating producer.

Their shares dropped 2p to 35p yesterday although the interim dividend is held at 1.25p group share.

## Gill &amp; Duffus looking to 1977 record profit of £18m

The shares of the Gill & Duffus Group rose by 5p to 240p yesterday—a new "high" for 1977—on the news of the board's projection of best-ever results and a bigger payout for 1977. Gill's directors estimate this year's pre-tax profits at £18m—a record if achieved. This would be a rise of just over 42 per cent on last year's £12.63m, the previous record, and more than double the 1976 year's £12.91m. Sales for the whole of 1976 were £480.4m.

Gill's directors explain that the first-half's turnover reflects the extremely high prices which obtained in coffee and cocoa in particular.

## Fruehauf warning on licensing

The hard-fought contest for control of Crane Fruehauf, continues, with shareholders being swayed first one way then the other as statements and counter-statements come thick and fast.

In the one corner, American Crane Fruehauf Corporation seems determined to take Britain's major independent trailer maker under its umbrella, while in the other, Crane is just as determined that it is going to go down if it is going to go down fighting.

The Fruehauf document, accompanying the stepped up offer of 70p, will drop through shareholders' letter boxes this morning to warn them that the termination of the licence agreement by Crane would leave the group with reduced product range and profits.

However, Mr. William Ashcroft, Crane's financial director, disputes this. "It would not cost a great deal of money to get our all Fruehauf content before 1979."

Since raising its offer earlier this week Fruehauf has now increased its stake in Crane to 35.6 per cent.

## Hutchison-HK Dock inquiry completed

The Securities Commission in Hongkong said its inquiry into dealings in the shares of Hutchison International and Hongkong & Whampoa Dock before their announcement of agreement in principle for a merger was completed.

Non-executive director of Hongkong Dock was involved. It added that Mr. E. T. Chan, a non-executive director of Hongkong Dock, had bought shares in both companies in the period covered by the inquiry, but had declared that he had no earlier knowledge of the merger proposal before the transactions.

## Accountants query CCH law report

For the first time in four years CCH Investments—to be repaid—Belhaven Brewery Group—of the highly regarded situation which arose in 1973: Mr. Gordon Currie, chairman, tells shareholders in the annual report.

However, the accounts are not yet clear of auditors' qualifications. Property valuations, foreign currency gains, and the profit on the sale of investments in an associate company have all been left with a question mark over them by accountants Stoy Hayward.

## Fairley chairman resigns

Mr. R. W. Holder has resigned from the chairmanship of Fairley, the engineering group which is now in receivership. He said yesterday that while

## Star sets sail for upturn with £3.8m rights issue

Star Offshore Services, the private offshore oil servicing group, is to ask shareholders for around £3.8m to set up a new subsidiary.

The cash will be raised by way of a one-for-three rights issue at 110p per share. 508 shares last changed hands at 119p.

Blue Star Line and United Towing, Star's two largest shareholders which own around 6 per cent of the equity each, have already agreed to take up the new shares.

The group also discloses that pre-tax profits in the half year to August 30 last floated up by around a fifth to £1.4m on turnover £2.9m higher at £5.9m. This slices about a third off margins leaving them at 20 per cent.

The new shares will not rank for the 4.74p gross interim dividend but the forecast final of 4.9p, on the increased capital, will give shareholders a total of 5.7p for the year. This shows a dividend of about 10 per cent on the previous total.

Much of the new capital will be used to establish Star Subsea Maintenance, a new offshoot which will specialise in maintenance services for the North Sea oil industry. Star is already heavily involved in this section with its fleet providing supply and support vessels, tugboats and diving services. The directors anticipate that the repair and maintenance side will become a growing market.

The new offshoot will take over the management of an existing contract involving the ship Star Pegasus and the services of divers from its wholly owned subsidiary North Sea Diving Services.

The 2,750-tonnes diving support vessel Star Canopus, delivered to the group in 1976, is to be converted into a deep diving maintenance ship from which Northern Divers will carry out its operations.

Work on the ship is likely to be completed by next March making the Star Canopus one of the most advanced of its kind.

A forecast pre-tax total for the year of around £2m, against a previous £1.85m gives a prospective p/e ratio of 6.4 and a net yield of 5.3 per cent.

## NCB comes in for Brit Inv Trust

The National Coal Board Pension Fund disclosed yesterday that it is prepared to offer £94.41m for Edinburgh-based British Investment Trust.

The pension fund is offering 98 per cent of asset value which, based on BIT's interim report for the six months to end-September last, indicates a value of 171p per share. Each £1 nominal of preference stock will be offered 50p.

Ordinary shareholders will be entitled to receive the interim dividend of 2.2p share declared on October 24 last, payable on December 12, and preference stock holders will retain the 1.8375 per cent dividend which will be paid at the beginning of next month.

The bidder has set a pre-condition which must be fulfilled by November 9. That is that the BIT board must provide its reporting accounts, Thomson McLintock, with sufficient information daily during the offer period to enable the fund to calculate the value of the ordinary share offer by reference to net asset values.

The bidder also requires the accounts to confirm that such information has been provided in the past and that no further information is required.

Information as appropriate to be provided following the posting of the formal offer documents. The bidder wants such confirmation two days before it posts its formal offer documents.

On turnover almost a third higher at £27.65m in the first half of this year, trading profits of £1.2m, or 13.7p, an interim dividend of 4p gross is being paid, comprised with 1.73p on the "old" capital. As anticipated at the time of the issue, the board intends to recommend total dividends of 8p for the year. A total of 5.62p was paid fopp 1976.

## APE more than doubles to £2.9m in first half

More than doubled figures are reported by Birmingham-based Amalgamated Power Engineering, which raised about 12.3m by a rights issue earlier this year.

On turnover almost a third higher at £27.65m in the first half of this year, trading profits of £1.2m, or 13.7p, an interim dividend of 4p gross is being paid, comprised with 1.73p on the "old" capital. As anticipated at the time of the issue, the board intends to recommend total dividends of 8p for the year. A total of 5.62p was paid fopp 1976.

## J. Bibby collecting £2m for Poultry Co

A useful £2m or so is on its way to the coffers of J. Bibby, the animal feeds group now enjoying a record breaking year. The recent interim dividend showed only one figure going the wrong way—interest charges on the back of bigger borrowings. Bibby is selling Ross Poultry the capital of Norfolk Newlay Egg and N. Reich with sundry properties. In return for the £2m Bibby parts with pre-tax profits (on 1976 figures) of only £55,000. Last year Bibby made £4.2m before tax this year is heading for around £5.5m.

## JOHNSON &amp; FIRTH BROWN

Mr. J. M. Clay tells shareholders in annual report that prospects are critically on level of activity. Board confident about road, wire and engineering companies; but in steel companies no immediate likelihood of bigger demand.

## Gomme takes a knock in hard times for furniture industry

By Christopher Wilkins

At the half-year stage Gomme Holdings, the G-Plan furniture producer, had managed to hold its profits level. But increasingly difficult conditions in the furniture industry have led to a significant deterioration in the second-half and full-year profits emerged 15 per cent down at £2.09m on turnover 6 per cent up to £23.6m.

The furniture sector is expecting a reduction in volume sales of about 7 per cent in the present calendar year and Gomme doubts whether it will better the average industry performance.

But its strategy has been to maintain its factories at full production although it still has a spare capacity margin of about 15 per cent—and to increase its stock levels in expectation of an upturn.

Mr. Harry Spörberg, chairman, notes that the rate of incoming orders has increased since July but that there is no reliable indication of general improvement in the retail furniture trade. At this stage the order book is still a short one.

The rising level of stocks—up from £4.1m to £5.6m by the year-end—has been duly reflected in higher borrowing and the overdraft has climbed from £379,000 to £1.42m, and Gomme is now seeking approval to raise its borrowing powers as a precautionary measure. At present borrowings are limited to share capital and the group intends to raise the limit to share capital plus reserves. The preference dividend is to be increased from 4.9 to 5.4 per cent.

After two years of relatively low capital spending, Gomme increased its expenditure last year from £319,000 to £820,000, and this year it is expected to rise further to about £1m.

Although Gomme is taking a guarded view on the present year, it seems likely that a revival in consumer spending will feed through in the form of improved volume, enabling Gomme both to reduce its high stock levels and step up capacity working. At the same time the rise in costs—particularly of timber—is abating, so a recovery in profit seems likely this year.

At 73p the shares yield 61 per cent after the maximum possible dividend increase and sell at just under 10 times earnings.

## Atlantic Assets still growing

Growth continues at Atlantic Assets Trust and the investments which it holds should stand the group in good stead in the future, Mr. John V. Oshfield, chairman claims. Generally looks forward to further satisfactory results.

In the year to June 30, 1977, the group's net asset value rose by 24 per cent to 100p and at September 30 rose to 121p. The net asset performance of Atlantic, while moving in historic terms, the same direction as the major indices, has always reflected its own specific investment selection, he adds.

Atlantic, which came to the market in 1964, was an investment trust which the object was to provide a vehicle by which private investors can participate in a variety of specialized investment opportunities.

Revenue before tax for the year to June 30 increased slightly from £1,020,000 to £1,090,000, while the dividend remained unchanged at 0.60p gross.

Since year-end the company's holding in GBC Capital has been sold for proceeds amounting to £1,800,000 and associate company Woodward Investments has sold its holding in GBC Capital for £2,100,000.

However, the board explains that in recent years the larger proportion of the group profit has arisen in the second half. This year, however, profits are expected to accrue more evenly.

Earnings a share are up from 6.85p adjusted for the rights) to 13.71p. An interim dividend of 4p gross is being paid, comprised with 1.73p on the "old" capital. As anticipated at the time of the issue, the board intends to recommend total dividends of 8p for the year. A total of 5.62p was paid fopp 1976.

## A Record Year

**EXCALIBUR**  
JEWELLERY LIMITED  
Manufacturing Jewellers, "EXCALIBUR" Watches, Expanding Watch Bracelets, Lockets, Bangles and other Jewellery Products

Year ended 30th April	1977	1976
Trading Profit	658,687	588,887
Profit before Tax	692,717	617,900
Profit after Tax	332,494	295,538
Earnings per Share	2.28p	2.03p
Dividend per Share (gross)	0.725p	0.659p

★ Your Company has continued to maintain its position as a leading manufacturer and distributor of jewellery products in this country, as illustrated by record results. Turnover increased to £4,535,273 and profit to £892,717 (after tax £332,494). Your Directors recommend a Final Dividend of 4.862p making 9.578p net for the year; this being the maximum permitted under the Dividend limitation order, and is covered 4.768 times by the profit after tax.

★ Our sales for the current year commencing 1st May are again higher than for the same period last year, thanks to our ever increasing range of jewellery products, including watches, our competitive prices, ably supported by our sales and service organisation which promises further progress in the future.

H. SHOWELL (Chairman)



## MARKET REPORTS

## Eurobond prices

(midday indicators)

## US STRAIGHTS

Symbol	Price	Symbol	Price
Alcoa 1983	101.1	Alcoa 1984	101.2
Alcoa 1985	101.3	Alcoa 1986	101.4
Alcoa 1987	101.5	Alcoa 1988	101.6
Alcoa 1989	101.7	Alcoa 1990	101.8
Alcoa 1991	101.9	Alcoa 1992	102.0
Alcoa 1993	102.1	Alcoa 1994	102.2
Alcoa 1995	102.3	Alcoa 1996	102.4
Alcoa 1997	102.5	Alcoa 1998	102.6
Alcoa 1999	102.7	Alcoa 2000	102.8
Alcoa 2001	102.9	Alcoa 2002	103.0
Alcoa 2003	103.1	Alcoa 2004	103.2
Alcoa 2005	103.3	Alcoa 2006	103.4
Alcoa 2007	103.5	Alcoa 2008	103.6
Alcoa 2009	103.7	Alcoa 2010	103.8
Alcoa 2011	103.9	Alcoa 2012	104.0
Alcoa 2013	104.1	Alcoa 2014	104.2
Alcoa 2015	104.3	Alcoa 2016	104.4
Alcoa 2017	104.5	Alcoa 2018	104.6
Alcoa 2019	104.7	Alcoa 2020	104.8
Alcoa 2021	104.9	Alcoa 2022	105.0
Alcoa 2023	105.1	Alcoa 2024	105.2
Alcoa 2025	105.3	Alcoa 2026	105.4
Alcoa 2027	105.5	Alcoa 2028	105.6
Alcoa 2029	105.7	Alcoa 2030	105.8
Alcoa 2031	105.9	Alcoa 2032	106.0
Alcoa 2033	106.1	Alcoa 2034	106.2
Alcoa 2035	106.3	Alcoa 2036	106.4
Alcoa 2037	106.5	Alcoa 2038	106.6
Alcoa 2039	106.7	Alcoa 2040	106.8
Alcoa 2041	106.9	Alcoa 2042	107.0
Alcoa 2043	107.1	Alcoa 2044	107.2
Alcoa 2045	107.3	Alcoa 2046	107.4
Alcoa 2047	107.5	Alcoa 2048	107.6
Alcoa 2049	107.7	Alcoa 2050	107.8
Alcoa 2051	107.9	Alcoa 2052	108.0
Alcoa 2053	108.1	Alcoa 2054	108.2
Alcoa 2055	108.3	Alcoa 2056	108.4
Alcoa 2057	108.5	Alcoa 2058	108.6
Alcoa 2059	108.7	Alcoa 2060	108.8
Alcoa 2061	108.9	Alcoa 2062	109.0
Alcoa 2063	109.1	Alcoa 2064	109.2
Alcoa 2065	109.3	Alcoa 2066	109.4
Alcoa 2067	109.5	Alcoa 2068	109.6
Alcoa 2069	109.7	Alcoa 2070	109.8
Alcoa 2071	109.9	Alcoa 2072	110.0
Alcoa 2073	110.1	Alcoa 2074	110.2
Alcoa 2075	110.3	Alcoa 2076	110.4
Alcoa 2077	110.5	Alcoa 2078	110.6
Alcoa 2079	110.7	Alcoa 2080	110.8
Alcoa 2081	110.9	Alcoa 2082	111.0
Alcoa 2083	111.1	Alcoa 2084	111.2
Alcoa 2085	111.3	Alcoa 2086	111.4
Alcoa 2087	111.5	Alcoa 2088	111.6
Alcoa 2089	111.7	Alcoa 2090	111.8
Alcoa 2091	111.9	Alcoa 2092	112.0
Alcoa 2093	112.1	Alcoa 2094	112.2
Alcoa 2095	112.3	Alcoa 2096	112.4
Alcoa 2097	112.5	Alcoa 2098	112.6
Alcoa 2099	112.7	Alcoa 2100	112.8
Alcoa 2101	112.9	Alcoa 2102	113.0
Alcoa 2103	113.1	Alcoa 2104	113.2
Alcoa 2105	113.3	Alcoa 2106	113.4
Alcoa 2107	113.5	Alcoa 2108	113.6
Alcoa 2109	113.7	Alcoa 2110	113.8
Alcoa 2111	113.9	Alcoa 2112	114.0
Alcoa 2113	114.1	Alcoa 2114	114.2
Alcoa 2115	114.3	Alcoa 2116	114.4
Alcoa 2117	114.5	Alcoa 2118	114.6
Alcoa 2119	114.7	Alcoa 2120	114.8
Alcoa 2121	114.9	Alcoa 2122	115.0
Alcoa 2123	115.1	Alcoa 2124	115.2
Alcoa 2125	115.3	Alcoa 2126	115.4
Alcoa 2127	115.5	Alcoa 2128	115.6
Alcoa 2129	115.7	Alcoa 2130	115.8
Alcoa 2131	115.9	Alcoa 2132	116.0
Alcoa 2133	116.1	Alcoa 2134	116.2
Alcoa 2135	116.3	Alcoa 2136	116.4
Alcoa 2137	116.5	Alcoa 2138	116.6
Alcoa 2139	116.7	Alcoa 2140	116.8
Alcoa 2141	116.9	Alcoa 2142	117.0
Alcoa 2143	117.1	Alcoa 2144	117.2
Alcoa 2145	117.3	Alcoa 2146	117.4
Alcoa 2147	117.5	Alcoa 2148	117.6
Alcoa 2149	117.7	Alcoa 2150	117.8
Alcoa 2151	117.9	Alcoa 2152	118.0
Alcoa 2153	118.1	Alcoa 2154	118.2
Alcoa 2155	118.3	Alcoa 2156	118.4
Alcoa 2157	118.5	Alcoa 2158	118.6
Alcoa 2159	118.7	Alcoa 2160	118.8
Alcoa 2161	118.9	Alcoa 2162	119.0
Alcoa 2163	119.1	Alcoa 2164	119.2
Alcoa 2165	119.3	Alcoa 2166	119.4
Alcoa 2167	119.5	Alcoa 2168	119.6
Alcoa 2169	119.7	Alcoa 2170	119.8
Alcoa 2171	119.9	Alcoa 2172	120.0
Alcoa 2173	120.1	Alcoa 2174	120.2
Alcoa 2175	120.3	Alcoa 2176	120.4
Alcoa 2177	120.5	Alcoa 2178	120.6
Alcoa 2179	120.7	Alcoa 2180	120.8
Alcoa 2181	120.9	Alcoa 2182	121.0
Alcoa 2183	121.1	Alcoa 2184	121.2
Alcoa 2185	121.3	Alcoa 2186	121.4
Alcoa 2187	121.5	Alcoa 2188	121.6
Alcoa 2189	121.7	Alcoa 2190	121.8
Alcoa 2191	121.9	Alcoa 2192	122.0
Alcoa 2193	122.1	Alcoa 2194	122.2
Alcoa 2195	122.3	Alcoa 2196	122.4
Alcoa 2197	122.5	Alcoa 2198	122.6
Alcoa 2199	122.7	Alcoa 2200	122.8
Alcoa 2201	122.9	Alcoa 2202	123.0
Alcoa 2203	123.1	Alcoa 2204	123.2
Alcoa 2205	123.3	Alcoa 2206	123.4
Alcoa 2207	123.5	Alcoa 2208	123.6
Alcoa 2209	123.7	Alcoa 2210	123.8
Alcoa 2211	123.9	Alcoa 2212	124.0
Alcoa 2213	124.1	Alcoa 2214	124.2
Alcoa 2215	124.3	Alcoa 2216	124.4
Alcoa 2217	124.5	Alcoa 2218	124.6
Alcoa 2219	124.7	Alcoa 2220	124.8
Alcoa 2221	124.9	Alcoa 2222	125.0
Alcoa 2223	125.1	Alcoa 2224	125.2
Alcoa 2225	125.3	Alcoa 2226	125.4
Alcoa 2227	125.5	Alcoa 2228	125.6
Alcoa 2229	125.7	Alcoa 2230	125.8
Alcoa 2231	125.9	Alcoa 2232	126.0
Alcoa 2233	126.1	Alcoa 2234	126.2
Alcoa 2235	126.3	Alcoa 2236	126.4
Alcoa 2237	126.5	Alcoa 2238	126.6
Alcoa 2239	126.7	Alcoa 2240	126.8
Alcoa 2241	126.9	Alcoa 2242	127.0
Alcoa 2243	127.1	Alcoa 2244	127.2
Alcoa 2245	127.3	Alcoa 2246	127.4
Alcoa 2247	127.5	Alcoa 2248	127.6
Alcoa 2249	127.7	Alcoa 2250	127.8
Alcoa 2251	127.9	Alcoa 2252	128.0
Alcoa 2253	128.1	Alcoa 2254	128.2
Alcoa 2255	128.3	Alcoa 2256	128.4
Alcoa 2257	128.5	Alcoa 2258	128.6
Alcoa 2259	128.7	Alcoa 2260	128.8
Alcoa 2261	128.9	Alcoa 2262	129.0
Alcoa 2263	129.1	Alcoa 2264	129.2
Alcoa 2265	129.3	Alcoa 2266	129.4
Alcoa 2267	129.5	Alcoa 2268	129.6
Alcoa 2269	129.7	Alcoa 2270	129.8
Alcoa 2271	129.9	Alcoa 2272	130.0
Alcoa 2273	130.1	Alcoa 2274	130.2
Alcoa 2275	130.3	Alcoa 2276	130.4
Alcoa 2277	130.5	Alcoa 2278	130.6
Alcoa 2279	130.7	Alcoa 2280	130.8
Alcoa 2281	130.9	Alcoa 2282	131.0
Alcoa 2283	131.1	Alcoa 2284	131.2
Alcoa 2285	131.3	Alcoa 2286	131.4
Alcoa 2287	131.5	Alcoa 2288	131.6
Alcoa 2289	131.7	Alcoa 2290	131.8
Alcoa 2291	131.9	Alcoa 2292	132.0
Alcoa 2293	132.1	Alcoa 2294	132.2
Alcoa 2295	132.3	Alcoa 2296	132.4
Alcoa 2297	132.5	Alcoa 2298	132.6
Alcoa 2299	132.7	Alcoa 2300	132.8
Alcoa 2301	132.9	Alcoa 2302	133.0
Alcoa 2303	133.1	Alcoa 2304	133.2
Alcoa 2305	133.3	Alcoa 2306	133.4
Alcoa 2307	133.5	Alcoa 2308	133.6
Alcoa 2309	133.7	Alcoa 2310	133.8
Alcoa 2311	133.9	Alcoa 2312	134.0
Alcoa 2313	134.1	Alcoa 2314	134.2
Alcoa 2315	134.3	Alcoa 2316	134.4
Alcoa 2317	134.5	Alcoa 2318	134.6
Alcoa 2319	134.7	Alcoa 2320	134.8
Alcoa 2321	134.9	Alcoa 2322	135.0
Alcoa 2323	135.1	Alcoa 2324	135.2
Alcoa 2325	135.3	Alcoa 2326	135.4
Alcoa 2327	135.5	Alcoa 2328	135.6
Alcoa 2329	135.7	Alcoa 2330	135.8
Alcoa 2331	135.9	Alcoa 2332	136.0
Alcoa 2333	136.1	Alcoa 2334	136.2
Alcoa 2335	136.3	Alcoa 2336	136.4
Alcoa 2337	136.5	Alcoa 2338	136.6
Alcoa 2339	136.7	Alcoa 2340	136.8
Alcoa 2341	136.9	Alcoa 2342	137.0
Alcoa 2343	137.1	Alcoa 2344	137.2
Alcoa 2345	137.3	Alcoa 2346	137.4
Alcoa 2347	137.5	Alcoa 2348	137.6
Alcoa 2349	137.7	Alcoa 2350	137.8
Alcoa 2351	137.9	Alcoa 2352	138.0
Alcoa 2353	138.1	Alcoa 2354	138.2
Alcoa 2355	138.3	Alcoa 2356	138.4
Alcoa 2357	138.5	Alcoa 2358	138.6
Alcoa 2359	138.7	Alcoa 2360	138.8
Alcoa 2361	138.9	Alcoa 2362	139.0
Alcoa 2363	139.1	Alcoa 2364	139.2
Alcoa 2365	139.3	Alcoa 2366	139.4
Alcoa 2367	139.5	Alcoa 2368	139.6
Alcoa 2369	139.7	Alcoa 2370	139.8
Alcoa 2371	139.9	Alcoa 2372	140.0
Alcoa 2373	140.1	Alcoa 2374	140.2
Alcoa 2375	140.3	Alcoa 2376	140.4
Alcoa 2377	140.5	Alcoa 2378	140.6
Alcoa 2379	140.7	Alcoa 2380	140.8
Alcoa 2381	140.9	Alcoa 2382	141.0
Alcoa 2383	141.1	Alcoa 2384	141.2
Alcoa 2385	141.3	Alcoa 2386	141.4
Alcoa 2387	141.5	Alcoa 2388	141.6
Alcoa 2389	141.7	Alcoa 2390	141.8
Alcoa 2391	141.9	Alcoa 2392	142.0
Alcoa 2393	142.1	Alcoa 2394	142.2
Alcoa 2395	142.3	Alcoa 2396	142.4
Alcoa 2397	142.5	Alcoa 2398	142.6
Alcoa 2399	142.7	Alcoa 2400	142.8
Alcoa 2401	142.9	Alcoa 2402	143.0
Alcoa 2403	143.1	Alcoa 2404	143.2
Alcoa 2405	143.3	Alcoa 2406	143.4
Alcoa 2407	143.5	Alcoa 2408	143.6
Alcoa 2409	143.7	Alcoa 2410	143.8
Alcoa 2411	143.9	Alcoa 2412	144.0
Alcoa 2413	144.1	Alcoa 2414	144.2
Alcoa 2415	144.3	Alcoa 2416	144.4
Alcoa 2417	144.5	Alcoa 2418	144.6
Alcoa 2419	144.7	Alcoa 2420	144.8
Alcoa 2421	144.9	Alcoa 2422	145.0
Alcoa 2423	145.1	Alcoa 2424	145.2
Alcoa 2425	145.3	Alcoa 2426	145.4
Alcoa 2427	145.5	Alcoa 2428	145.6
Alcoa 2429	145.7	Alcoa 2430	145.8
Alcoa 2431	145.9	Alcoa 2432	146.0
Alcoa 2433	146.1	Alcoa 2434	146.2
Alcoa 2435	146.3	Alcoa 2436	146.4
Alcoa 2437	146.5	Alcoa 2438	146.6
Alcoa 2439	146.7	Alcoa 2440	146.8
Alcoa 2441	146.9	Alcoa 2442	147.0
Alcoa 2443	147.1	Alcoa 2444	147.2
Alcoa 2445	147.3	Alcoa 2446	147.4
Alcoa 2447	147.5	Alcoa 2448	147.6
Alcoa 2449	147.7	Alcoa 2450	147.8
Alcoa 2451	147.9	Alcoa 2452	148.0
Alcoa 2453	148.1	Alcoa 2454	148.2
Alcoa 2455	148.3	Alcoa 2456	148.4
Alcoa 2457	148.5	Alcoa 2458	148.6
Alcoa 2459	148.7	Alcoa 2460	148.8
Alcoa 2461	148.9	Alcoa 2462	149.0
Alcoa 2463	149.1	Alcoa 2464	149.2
Alcoa 2465	149.3	Alcoa 2466	149.4
Alcoa 2467	1		







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